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# Under the Radar: A Study of Small and Mid-Sized Theatres in the Denver-Metro Area

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UNDER THE RADAR:  
A STUDY OF SMALL AND MID-SIZED THEATRES IN THE DENVER-METRO AREA

by

ANDREW METZROTH

B.A., B.F.A University of Colorado, 2005

A thesis submitted to the  
Faculty of the Graduate School of the  
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This thesis entitled:  
Under the Radar: A Study of Small and Mid-Sized Theatres in the Denver-Metro Area  
written by Andrew Metzroth  
has been approved for the Department of Theatre and Dance

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Oliver W. Gerland III

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Joan McLean Braun

Date\_\_\_\_\_

The final copy of this thesis has been examined by the signatories, and we  
Find that both the content and the form meet acceptable presentation standards  
Of scholarly work in the above mentioned discipline.

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Metzroth, Andrew (MA, Theatre)

Under the Radar: A Study of Small and Mid-Sized Theatres in the Denver-Metro Area

Thesis directed by Associate Professor Oliver W Gerland III.

Small and mid-sized theatres have been under-studied compared to their larger counterparts and the regional theatre movement as a whole. Analyzing the context in which small and mid-sized Denver-Metro theatres operate and their day-to-day business practices can provide valuable insight into an often overlooked community. Part I of this thesis explores the environment in which these theatres exist, including discussions of geography, media relations, major granting organizations, the Scientific and Cultural Facilities District, and the future of the Denver-Metro area. Part II uses interviews and financial data to profile a dozen theatres within the Denver-Metro area (including three that have closed), discuss their day-to-day business practices and understand their long-term goals. Part III aggregates the data from Parts I and II to discuss findings and observations about the Denver-Metro theatre community, divided into separate fiscal and cultural sections.

## Full Disclosure

I have been privileged to work as a theatre designer and technician in the Denver-Metro area over the past decade. Since 2003 I have regularly worked with theatre companies in Denver, including a number of theatres presented in-depth in this study. As a result, I also have working relationships with many of the individuals that I interviewed, and know personally artists and administrators who have worked with many of the area's companies. In this study, I have approached each of these companies and relationships from a removed perspective and attempted to let the facts and the voices of the individuals interviewed speak for themselves. In the interest of full disclosure, the following is a list of the theatres in this study where I have worked and my role(s) within each one, as well as significant relationships I have with members of each company:

- **Boulder Ensemble Theatre:** I am currently a company member with the Boulder Ensemble Theatre, where I have designed and stage managed a number of productions since 2006.
- **Curious Theatre Company:** I worked for Curious Theatre as an assistant lighting designer, electrician, and technician for a number of shows between 2006 and 2008.
- **Denver Center Theatre Company:** While I have never worked for the DCTC directly, I have worked with their technical and venue staff on a regular basis as a result of my work stage-managing for Stories on Stage since 2006.
- **Devil's Thumb Productions:** I have designed lights for one show at Devil's Thumb, and know all of the company members from my experiences working with them as undergraduates at the CU-Boulder.

- **Paragon Theatre:** While I have never worked at Paragon, their Production Manager, Wendy Franz, is the Graduate Program Assistant at CU-Boulder, with whom I have worked frequently as a graduate student.
- **Stories on Stage:** I have worked as Stories on Stage's resident Stage Manager since 2006. My wife, Amy Cole, is the company's administrator.
- **Su Teatro:** I work with the staff of Su Teatro on a regular basis when Stories on Stage rents their venue.

## Acknowledgements

Studying theatres in the Denver-Metro area would have been impossible without the enthusiastic support of the region's theatre community and the greater arts community, as well as the support of my colleagues and advisors at the University of Colorado at Boulder. I would like to thank all of the busy arts personnel, city and county volunteers and employees, foundation employees, journalists, and theatre managers who were willing to give their time and to participate in interviews, as well as for their help in guiding me to other sources of information. In particular I would like to thank John Moore for creating such a thorough record of theatres at the *Denver Post*; his work made a project like this possible. My appreciation goes out to all the members of my committee: Joan Braun, Oliver Gerland, and Richard Devin, who have been nothing but positive throughout this process and who encouraged me to continue writing as the thesis grew in scope. Thank you to all of my staff and co-workers at CU Presents, who have encouraged me to pursue my education while working. There are many more friends and relations who put up with me talking about this project at length over dinners and social gatherings; I'm exceedingly grateful for their interest and patience while I mulled over my own research in front of them. Finally, my gratitude to my wife, Amy Cole, who was always willing to read samples, offer encouragement, and keep me sane.

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## Introduction

On March 6<sup>th</sup>, while I was in the midst of finalizing the case studies in this report, I received an email from Paragon Theatre, one of the companies I had profiled as a growing, responsibly run theatre company:

Dear Paragon Patron,

It is with great sorrow that Paragon Theatre announces its permanent closure on March 18, 2012 after the run of its current show, Miss Julie.

For 11 years Paragon has strived to provide the Denver metro community with the most honest, intimate, and bold stories told on stage. After realizing the decade-long dream of operating the company's own space, Paragon has encountered numerous unforeseen code and permit challenges, which have put excessive strain on the company's financial reserves. Paragon's dedicated volunteer ensemble of actors, directors, designers, and producers have determined that maintaining a sustainable organization has become too great a burden for Paragon to shoulder without amassing significant debt.

Additionally, while the demands of managing the facility have increased, our limited personnel resources have remained the same, making it impossible to maintain our ensemble model of artistic excellence with an affordable ticket price. It has been determined that the inevitable course of action in order to preserve the integrity of Paragon and its core values is to close the company. ("Paragon Theatre to Close Doors")

To be sure, I was not the only person surprised by this letter. Paragon was by all accounts a well-run and well-respected theatre in the Denver-Metro area. It was entering its eleventh season

just weeks after moving into a brand new facility with great fanfare, where it had been able to create its ideal intimate performance space. Ticket sales for the season were strong, the group had consulted with architects and the city planning board, and the company had cash reserves of over \$10,000 set aside for renovations and improvements (Franz, “Paragon’s Closing”). The company had carefully studied the consequences of moving into a new space before beginning construction, they had prepared for new developments, yet they had not foreseen this problem. Having written a profile of a company which seemed to have a bright future just a week earlier, my first reaction was one of disbelief; careful strategic planning was a highlight of Paragon’s business plan. And every other aspect of their company was well-thought-out: they had a clear mission, a strong internal structure, and balanced funding. Could a few building code issues really have forced the company to close just as it seemed to be emerging as a major player in the Denver market?

Unfortunately, Paragon’s closing highlights a significant hole in theatrical scholarship: simply put, we don’t really have a clear picture of the problems small and mid-sized theatres face or a good idea of how they operate on a day-to-day basis. When we look at theatre in scholarship, it is often to discuss the process of making art, to examine the history of the form, or to argue about the big ideas hidden within plays and their performance. Rarely do we look at the practical reality that almost all theatres in the United States experience: a theatre has to operate as a business, even if it is a non-profit business. On the occasions when we do look at theatrical business practices in the US, we tend to focus on larger institutions and regional theatre. We exclude small companies like Paragon, which often operate on small budgets and produce their shows with local, non-union artists. Moreover, as Paragon’s case illustrates, it’s impossible to know exactly what went wrong with the company without understanding the context in which its troubles arose. Denver’s building codes and the manner in which Denver counted occupancy

were major factors in the company's decision to close, as was Paragon's relationship with the city planning board and the company's ability to raise the funds to cover renovations. There are also aspects of Denver's theatre environment that caused the company to create its own space by renting and remodeling a building that had never before operated as a theatre. Without this additional information, it's difficult to see where Paragon made a misstep or if the cards were always stacked against them. In order to accurately evaluate the situation of Paragon or a similar theatre, it is important to fill a gap in knowledge by understanding how small theatres operate in the context of their immediate environment.

It is not surprising that no one has undertaken an academic study of Denver-Metro theatres until now, as a number of problems present themselves almost immediately. Perhaps the largest is that with a few notable exceptions (The Denver Center for the Performing Arts or the DCPA, The Arvada Center, Curious Theatre Company, Su Teatro, and the Colorado Shakespeare Festival), almost all theatre companies in Colorado fly under the national radar. In my own experience, Denver is rarely a name that pops up when naming big theatre cities, either by industry professionals or casual attendees of the art form. Industry information seems to verify this opinion. Theatre Communications Group, the largest service organization for theatre companies in the US, lists only eight member theatres in Colorado, and only three of those are in the eight-county Denver-Metro area. This compares to much larger figures in many other states: there are fifteen TCG members in Massachusetts, thirty-three in Illinois, nearly eighty in New York, and over eighty in California, for example. At a casual glance from the national level, the Denver Center, Curious, and the Arvada Center seem like oases in the midst of Denver's theatrical desert.

Even a slightly closer examination, however, quickly proves that nothing could be farther from the truth. *The Denver Post* maintains an extensive online listing of theatrical activity in the



State of Colorado. In 2011, about 100 companies produced at least one show statewide, and approximately sixty of those companies produced in the Denver-Metro area (Moore Interview). Of those, approximately forty-five produced more than once in the year or presented a season of shows. While some productions were mounted by colleges, community theatre companies, or other amateur organizations, the majority of these forty-five companies list themselves as “professional” or “professional quality” theatres on their websites. All of this suggests a much larger theatrical community than the three Denver-Metro area theatres on TCG’s membership roster.

In contrast to the image of three oases in a barren desert, a city with thirty to forty active companies seems positively lush! And yet, despite their prevalence, these small and mid-sized theatres are largely ignored by both the academic and national theatre communities. Other than John Moore’s superhuman efforts to document current productions on *The Denver Post*’s website (which may now vanish due to his recent departure from the paper), and a less accurate and more underfunded attempt by the Colorado Theatre Guild, there is no readily available source for theatre information in the state of Colorado. While aggregate studies of “arts and culture” as a whole exist, no government, state agencies, private organizations, or academics have attempted to examine theatre companies as a category of their own.

Additionally, there is no focus on the business elements of these companies. Again, aggregate studies of all the arts are available, but these are generalized and tend to focus on an annual fiscal picture rather than day-to-day or even seasonal practices. In the rare cases when individual theatres have been profiled, the focus tends to rest on the company’s history or artistic products. This thesis attempts to fill the gaps left by these studies, for the first time profiling as many of the small and mid-sized theatres in the Denver-Metro area as possible while emphasizing their business practices.

## **Defining Theatres to Study**

Admittedly, there are a number of reasons a classification study like this one is difficult. Even the act of tracking the existence of small theatres is a challenge. The simple truth is that many of these self-named “companies” seem to appear and vanish overnight, producing only one to two shows or seasons and then folding before they develop a formalized business structure. Several lack the basic media and contact tools of an up-to-date website or a regularly answered phone. As well, the sheer number of theatres almost guarantees that significant changes will occur between the beginning and the end of the study. Between the start of this project in May 2011 and the conclusion of writing in April of 2012, at least three new small and mid-sized theatres (Obscene/Courageous, LOCAL Theatre, and Presteve Theatre) have been founded or have risen in prominence, two theatre companies (The 73<sup>rd</sup> Avenue Theatre and Vintage Theatre) will lose their performance spaces, and one theatre (Paragon) will close its doors. Moreover the state’s only full-time theatre critic accepted a buyout from his employer and three major granting foundations have either closed their doors or redirected their focus. In an environment with spotty information that changes this quickly, it’s difficult to understand where to begin and end one’s research.

The diversity of these theatres is also problematic. Trying to define companies by any single factor is difficult; there is enough diversity in Denver that no one characteristic applies to all of them. As an example, house size can vary drastically from forty-nine to three hundred seats amongst smaller companies, the biggest of which are larger than some spaces at the Denver Center for the Performing Arts. Most of these theatres are 501(c)3 non-profits, but there are several significant for-profit theatres worth study as well. Similarly wide ranges are present for the age of theatres, the number of paid staff, revenue, their relationships with a particular venue, the total amount they pay artists in a year, and so on, making no single variable a clear criterion.

Labeling the companies is also a challenge. Phrases common to the industry like “Mid-Size Theatre” and “Small Professional Theatre” are problematic because they also refer to specific union-based contractual agreements with Actor’s Equity. On the other hand, I am loath to use labels such as “community theatre” or “semi-professional theatre” to describe these organizations: the former term too easily includes theatre that is explicitly amateur (which, while vibrant in the Denver-Metro area, is not the focus of my study), and the latter demeans the viability of organizations and suggests that these theatres are somehow a less valid form of theatre than their fully-unionized counterparts. In the end I have chosen to stick with the term “small and mid-sized theatre” to define these organizations, with the understanding that I am using the term in a wider sense than the definition in an Equity contract. My use of “small and mid-sized theatre” refers to companies that pay their staff and/or artists, operate on a model that produces over the majority of a given year, and appear to be too small to be considered regional theatre.

The one characteristic shared by most of the theatres I wish to study is a somewhat artificial one determined by the legal formulas of the Scientific and Cultural Facilities District, or the SCFD. This is a major government funding program in the Denver-Metro which I will discuss in detail in the body of my thesis. Briefly, though, the SCFD divides the nonprofit organizations it funds into three different tiers. Tier III describes nonprofits that are based within the Denver-Metro area, have existed for at least three years, meet a variety of requirements spelled out in legislation, and have annual income below approximately \$1.45 million. While this is still a large range, and a much higher threshold than the majority of Denver-Metro theatre companies could hope to meet, it effectively includes every nonprofit theatre smaller than the Denver Center and the Arvada Center. These two institutions both fit within the standard model of regional theatre: they have much larger budgets, regularly hire artists from out of state, and

generally operate on a level wholly different from the Tier III companies; attempting to include them in this study would continue to pull focus from the already understudied subset of small and mid-sized theatres. Beyond being a financial demarcation, using SCFD Tier III status as a base qualifier provides other advantages. First, it ensures a degree of longevity (at least three years as a 501(c)3) in all of the studied theatres. Additionally, Tier III theatres are likely to compete for similar scales of grants and major donors. Finally, while there are notable exceptions, most Tier III theatres have a similar level of visibility in the Denver Metro community.

While SCFD Tier III status is an excellent primary selector for the group of theatres I will study, it isn't enough on its own. Notably, for-profit theatres are excluded, and the SCFD does not distinguish between professionally-minded organizations and amateur ones. As a result, there are several other qualifications I have used to restrict further the number of theatres studied. Together, the criteria are:

- The theatre company must either meet the qualifications of an SCFD Tier III non-profit and therefore have received SCFD funding in 2011, or be a for-profit theatre that has existed primarily in the Denver-Metro for at least two years as of December 2011 (I do extend this area to Fort Collins, which is technically outside the SCFD funding zone, because it supplies an interesting case study in Nonesuch Theatre).
- The company must not identify itself as “amateur,” “student,” “non-professional,” “community,” or any other similar term.

- The company must pay staff, artists, or both on some level in order to be considered.  
(One theatre, the LIDA Project, is an exception to this rule for reasons explained in its profile).
- The company must produce plays in the Denver-Metro area either year-round or through the majority of the year. This excludes theatre festivals (such as the Boulder International Fringe Festival) and summer-only and touring theatre (such as the Colorado Shakespeare Festival or Creede Repertory when it performs in Denver); I am interested in year-round local business models. This also excludes theatres that present touring shows or rent to theatre companies, but are not in themselves a producer, such as the Dairy Center in Boulder, the Lakewood Cultural Center, and the Lone Tree Arts Center.
- The company cannot solely produce children's theatre. In the Denver-Metro area, these companies tend to work within such a different model and cater to such a different audience that effective comparisons would be very difficult; they would be best served with a study of their own.

Taken as a whole, these criteria limit the study to approximately twenty-five theatre companies. Nineteen of these theatres responded to an initial survey sent out in May of 2011, and twelve agreed to participate in a follow-up interview to supplement the survey. To the best of my ability, I have collected public record information on the remaining companies with the goal of having at least some information about as many companies as possible.

## **The Relevance of Small and Mid-sized Theatres**

Beyond the lack of existing academic literature on Tier III and small for-profit theatres, there are a number of important reasons that these companies deserve an in-depth study. The first is that these smaller companies are clearly the fastest growing segment of Denver-Metro theatre. The vast majority of these theatres have been founded since the creation of the Arvada Center (1976) and the Denver Center Theatre Company (1979); most of them are less than 15 years old ([denvercenter.org](http://denvercenter.org), [arvadacenter.org](http://arvadacenter.org)). There are no serious plans for the creation of a company on the scale of either of these two in the works in Colorado. It is now rare, even more than it was at the beginning of the regional theatre movement, for a Tyrone Guthrie or a Donald Sewall to create a major theatre or arts complex without an already established organization. As a result, if any more theatres in Denver are to rise to prominence, they will likely either spring from one of these existing companies or begin as a small theatre. Studying small and mid-sized companies now will provide an important historical snapshot if one or more of these companies grow into something larger.

Small and mid-sized theatres make up a clearly entrepreneurial segment of Denver's theatre market, and they tend to be uninformed on how to operate within that market. Most start from scratch and most do not understand the business practices and formulas of success very well. New theatre companies are starting all the time, and failing. In the past ten years over 129 theatre companies in Colorado have gone out of business, virtually all of them in SCFD Tier III or on a scale similar to Tier III organizations (Moore Interview). It is likely that many of these companies suffered from basic business problems like poor foresight, a lack of preliminary research before their formation, poorly thought-out organizational structures, or immature/ineffective management. To further complicate matters, there are few resources available for the aspiring small non-profit or for-profit theatre. There are many books in

existence that discuss how to run a larger, more established theatre organization (notably Jim Volz's How to Run a Theatre and David M. Conte and Stephen Langley's Theatre Management), but these books tend to focus on the needs of LORT level theatres with the occasional dip into community theatre. There is little information for a theatre with a budget or production scale similar to a community-level theatre and a commitment to paying its artists and staff. Practical concerns for smaller companies, such as the advantages and disadvantages of renting vs. owning a space or the fundamentals of balance sheets are glossed over in these books. They also tend to stress union-level involvement as the height of professional theatre, which inherently suggests that all theatres should be moving toward as much union involvement as possible. While many of the theatres in Denver have some form of relationship with theatrical unions, many also do not, and some would have their basic business models completely destroyed by attempting any form of union involvement. It also leaves few viable models against which a small or mid-sized theatre can compare itself. This project will add some practical snapshots of existing theatres and, I hope, provide some insight for an aspiring theatre manager.

Finally, this study is important as an immediate concern for the current generation of young theatre artists. Theatre students today, particularly those planning to make a theatrical career for themselves in Denver, are almost guaranteed to interact with these smaller companies, or companies like them, on a regular basis. Because these companies offer fewer union barriers, more open auditions, and are far more willing to take a risk on an artist or technician with a short resume, there are many job openings in the small theatre market for recent college graduates. Regardless of where a long-term career may take them, today's young artists and administrators will derive a good deal of their experience and professional attitudes from working in small theatres. As well, it seems fairly common for students or recent college graduates to band together to form a theatre company and create their own opportunities. Several of Denver's

theatres have such an origin, and many more have benefitted from a number of young students working together. Defining existing theatres, their business models, and their histories will provide a valuable resource for any new company in Denver in the future.

## **Goals and Methodology**

This study is primarily an attempt to define and survey the Tier III non-profit and small for-profit theatres of the Denver-Metro area, and to place them within the context of the region's theatrical landscape. The study will be divided into three parts. The first part attempts to compile a picture of the theatrical landscape from the perspective of outsiders: government agencies, foundations, and journalists who observe the theatre community and interact with it, but do not participate directly. It also provides market information on significant aspects of the Denver-Metro area. The second part of the study attempts to create several common metrics (both quantitative and descriptive) in order to compare these theatres to one another. The primary tool for comparison is the creation of profiles and case studies of as many of the studied theatres as possible on both a narrative and quantitative level. The third part of the study will compare these profiles to one another directly, and will articulate big-picture observations about the Denver-Metro small theatre environment.

There are several important factors limiting the scope of this study. I am more interested in defining this area in depth than in comparing theatre in the Denver-Metro area to theatre in other regions of the country. I am also far more interested in cataloguing and determining what business models actually exist in the theatres I study than in comparing them to the prescriptive ideas of how a theatre *should* be run according to existing literature. The final limiting factor, and the only one which I cannot control, is that all of all of my information comes either voluntarily from theatres or from public records. As a result, gaps in my research will exist if a



company or organization is not interested in working with me, or if there are corresponding gaps in the public record.

There are four major research components to this study: an initial survey of Denver-Metro theatres; follow-up interviews with administrators at a subset of these companies; further interviews with government employees who focus on the arts and art programs, journalists focusing in theatres, and employees of private and public foundations in the Denver-Metro area; and the collection of financial and attendance data from various public sources. Each component has strengths and weakness in terms of providing data for the study. It is my hope that by using data from all four components, I will be able to provide a clearer overall picture of these companies. Each component and its procedures are described below in more detail.

### *Initial Survey*

The study began with an initial survey and cover letter sent out to administrative employees for twenty-five identified theatres that met the project's criteria in May of 2011 (see appendix A). In general, the surveys were addressed to administrative staff focused on the business functions, though these staff members were free to pass the survey on to a staff member whom they felt would be a better respondent. This survey asked ten basic questions (some with multiple parts) about the selected company focusing on its season, facilities, personnel, and approximate financials from their previous fiscal year. Respondents were encouraged to answer questions as completely as possible, but all answers were voluntary, and companies could provide rough financial figures if they so desired. Survey results were collected either by mail or by the respondent filling out an online version of the survey hosted by [surveymonkey.com](https://www.surveymonkey.com). One of the survey questions asked if the respondent or another administrator would be available for a follow-up interview. Surveys were collected until approximately July 4<sup>th</sup>, although one or two

companies did not return a response until their follow up interviews later in the year. Ultimately, eighteen of the twenty-five targeted theatres returned a survey, and one (Lannie's Clocktower Cabaret) indicated they did not wish to be considered a part of the study as the company did not consider itself a theatre. This was effectively a 72% response rate, which is extremely high for any type of unsolicited survey, though in line with previous surveys of Tier III SCFD organizations, suggesting Denver's theatres have an active desire to be heard and studied (De Nileon 16).

### *Theatre Company Interviews*

If a respondent indicated he or she was willing to participate in a follow-up interview, I contacted that person in August of 2011 to schedule a meeting. All interviews were held between August of 2011 and February of 2012. In several cases the subjects invited additional staff members to participate in the interview. Administrators were interviewed in a conversational format based on a standard list of questions (see Appendix A), though the interviews tended to be free-form and allowed the interviewees to focus on the topics they felt were most important. Interviews tended to last between ninety minutes and two hours. The goal of each interview was to find out how the theatre company viewed itself, to develop a narrative of business practices and history, and to help define the business model of each company. Twelve theatre companies, including the owners of two theatres that had failed since 2010, participated in follow up interviews, another high participation rate of 48%.

### *Non-Theatre Interviews*

Additional interviews were conducted between June and December of 2011 with a number of individuals who frequently interact with the theatre companies in the Denver-Metro

area. The subjects included two theatre critics for local newspapers (*The Denver Post* and *The Daily Camera*), three government employees and appointees who work with city and county arts programs (Boulder Arts Commission, Denver Office of Arts and Venues, and the Scientific and Cultural Facilities District), an employee of a public foundation (The Denver Foundation), and an employee for a major private foundation (the Bonfils-Stanton Foundation). These interviews were a good representative sample of the most active organizations in the Denver-Metro area involved in supporting the arts and theatre production. The goal of these interviews was to understand the larger cultural context in which the region's small theatres operate, and to be able to hear broader perspectives from individuals who watch all of the arts and the nonprofit sector as a whole. Additionally, funding organizations were asked how they selected grantees and the characteristics they looked for in healthy non-profit organizations. Again these interviews generally ranged between ninety minutes and two hours, and were conducted with a pre-formed list of questions (Appendix A), but the format was open-ended.

### *Quantitative Data*

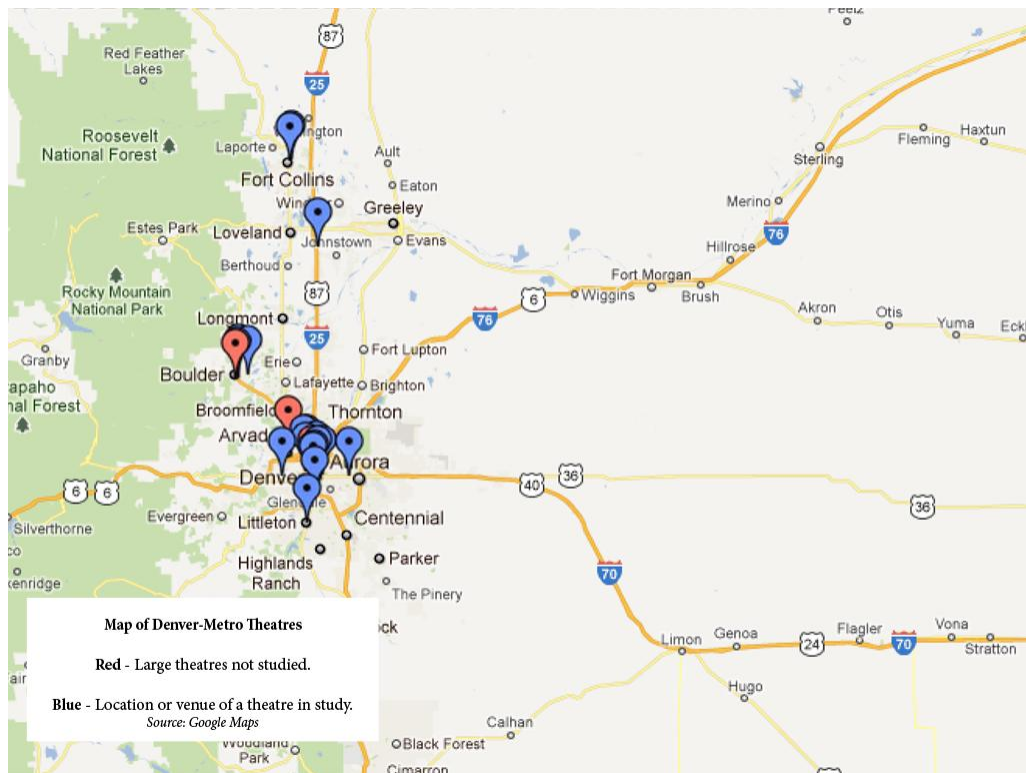
A variety of sources for quantitative data were used to provide historical financial data for the theatre companies being studied. In the case of non-profit theatres, IRS 990 forms (a public tax document all non-profits with over \$25,000 in revenue in the last fiscal year must complete) were the primary source used. All 990 forms were obtained through the "990 finder" database utility on the nonprofit resource site, *The Foundation Center*. While the forms provided a great deal of financial data, there were some difficulties in working with them. Due to differences in the fiscal years and filing periods of various companies, changes by an organization in accounting practices from year to year, and some small gaps in the availability of tax information, there are differences between organizations with respect to datasets. I have

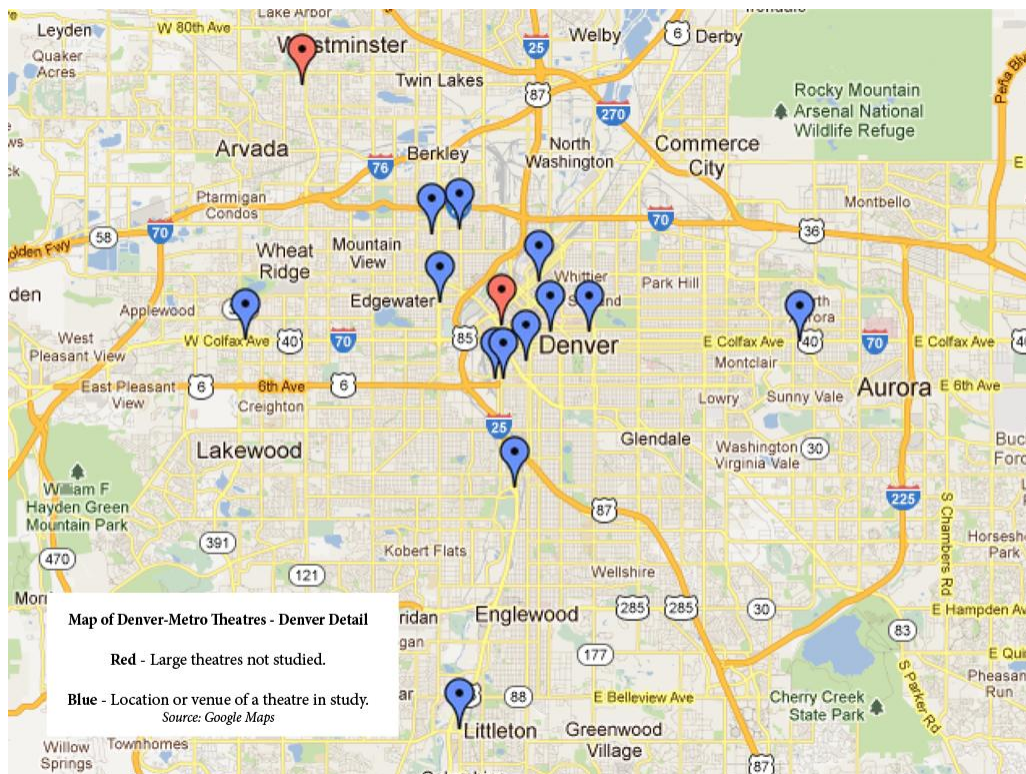
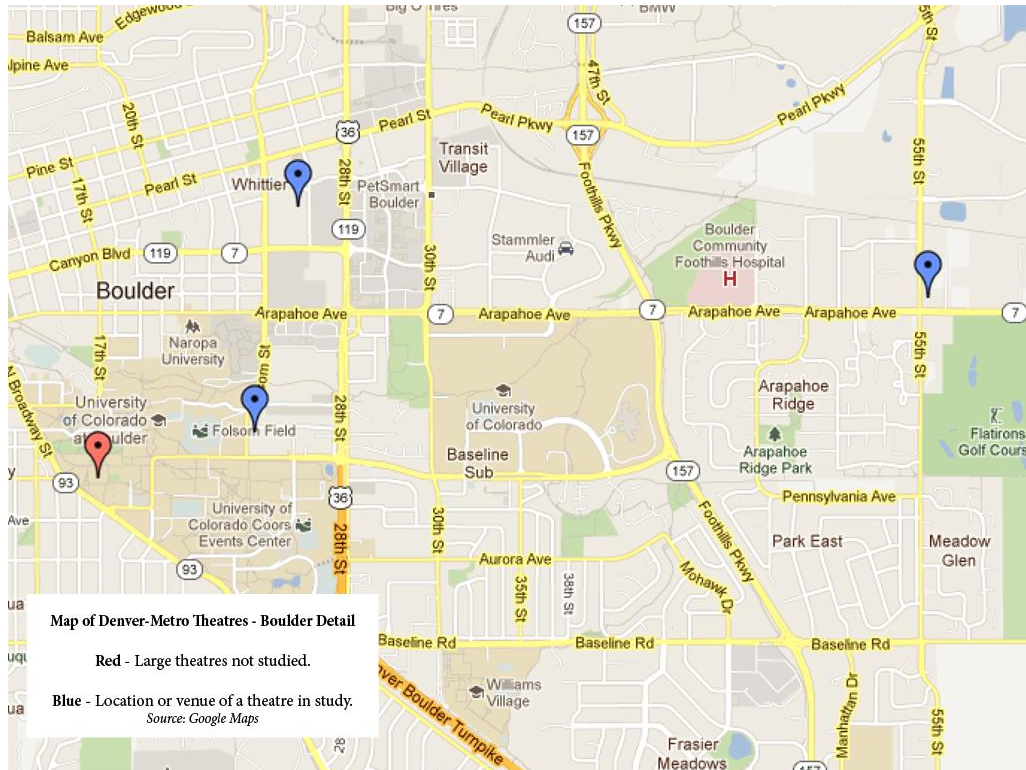
opted to use data from the most recent fiscal year of each theatre available to make comparisons as between companies as accurate as possible. For-profit theatres were far more reticent to reveal specifics about their financials; no for-profit company provided me with more than generalized financial data for their previous year, creating relatively vague quantitative pictures when compared to non-profit theatre companies. Other quantitative sources include data from the Denver Regional Council of Governments (DRCOG), arts reports from SCFD and the Colorado Business Coalition for the Arts, and from various other government sources. Other than initial survey responses and interviews, all of the data used have been acquired from public record sources.

## Part I – The Theatrical Landscape of Denver

Understanding most small and mid-sized theatres in the Denver-Metro area is impossible without also understanding the environment within which they operate. There are a number of factors, both positive and negative, which influence the Denver theatre environment. Whether or not theatre administrators are conscious of these influences varies greatly from company to company, but they have direct effects on marketing, unearned income, government support, and more. What follows is a discussion of several significant factors in the Denver-Metro area, and an analysis of the positives and negatives for each.

### Geography and Visibility





A digital, interactive copy of these maps with specific theatre labels can be found online at <http://g.co/maps/r9u8b>.

Source: Google Maps

The first important thing to understand about the theatres of the Denver-Metro area is that they have no centralized geographic location. Even when looking at theatres in central Denver, it is clear that there is no street or zone where small and mid-sized theatres exist as a group. With the exception of Su Teatro on Santa Fe Drive and Buntport Theatre on Lipan Avenue, none of the theatres in this study are even within a mile of one another, putting them all outside of walking distance from one to another for most patrons. This may help explain why, despite the presence of so many companies, Denver is not known for being a “theatre town.” Many other cities have well-identified theatre districts with a significant amount of activity and visibility for a group of companies. In an area like Broadway in New York or The Loop in Chicago a prospective patron can literally walk down a few city blocks and browse the offerings of a dozen or more companies in a matter of minutes (*Google Maps*). In both cases the unified district helps to provide a clear anchor point for theatrical activity and a good starting location for interested theatregoers, even if it doesn’t contain every theatre in the city. It also gives the theatre community an identity as a group that works together, and can promote information hubs and cross-marketing opportunities like the TKTS booth in Times Square.

By contrast, Denver-Metro theatre appears disparate, even to an interested theatre patron. Some of the theatres (especially the juggernaut DCPA complex of nine theatres) are clearly visible along major roads, but many hide in largely residential areas or off secondary streets. Some are in warehouses and other non-traditional locations, hard to identify from the street. One, the recently closed Denver Victorian, was actually in the basement of an old house in Northeast Denver. It is difficult to overstate the problem that this creates for small theatre companies. The lack of geographic unity makes it difficult for them to brand as a group, and keeps them out of the public eye. As a result, there is only one geographic location to look for

theatre at a casual glance: the gigantic, highly visible, multi-theatre complex of the Denver Center along Speer and Arapahoe.

To complicate this matter, most small and mid-sized theatres have a very limited marketing budget (most of those interviewed spend less than five thousand dollars per show in total marketing, barely enough for posters, postcards to their mailing lists, and a few Facebook or newspaper ads). They rely heavily on free public calendars, word of mouth, and articles or reviews from the local papers. The result is that patrons have to find out about theatre companies through other sources, most likely through media or the internet. As mentioned before, *The Denver Post* maintains a robust theatre website with a listing of every theatre event in the state, critical reviews, feature articles, and even links to other online theatre blogs. It is a virtual treasure trove of information for the interested theatre patron, and undoubtedly the most reliable and up-to-date site on theatre in the state.

It is also the sixth link down on a Google search for the term “Denver theater,” after (in order) The Denver Center for the Performing Arts, Denver-Theatre.com, the Denver.org Theatre listings page, a second website for the Denver Center, and a second link for Denver-Theatre.com (*Google*). Four of these five websites are slick, well-designed, and almost exclusively feature touring attractions and productions within the Denver Center Complex. They tout themselves as “the best source for theatre” and “your guide to Denver’s theatres.” The fifth (Denver.org), does list every submitted event (which is free to the submitter) and includes some local theatre productions, but they seem sparse and unglamorous when squeezed in between the listings for touring productions, comedy tours featuring A-list celebrities, variety shows, and even some concerts. Ninth down the search list (just after a movie theatre chain and Curious Theatre, the first theatre in this study to be found in the search) is the link for the Colorado Theatre Guild, the state’s non-profit organization for theatres. While this page does list all current productions of



its eighty-three member organization in the state, parts of it are woefully out of date (the “Current News” section lists its latest headlines from 2008-09) and the website is opaque, non-graphical, and difficult to navigate. It also blurs the line between a promotional tool and a service website, offering links to job postings, audition notices, theatre education, reviews, and more. Similar searches for “Denver-Metro Theatre” “Colorado Theatre,” “Boulder Theatre,” “Theatre District Denver,” and “Denver Drama” all reorder the links above, remove some, and pop up one or two additional aggregation sites with out-of-date information (although notably “Colorado Theatre” at least returns the Colorado Theatre Guild as its first result) (*Google*). Most of the time, the top five results of each search inevitably focus on Denver Center shows and touring attractions, oftentimes exclusively.

The point here, simply put, is that the small and mid-sized theatres of the Denver-Metro area have a major visibility problem. It would be very easy for an average patron with little knowledge of Denver’s full theatre environment to stop at one of the first five links, pick a show from a major presenter, have a great time at that show, and never realize that any of the twenty-five theatres identified for this study even exist. Similarly, the patron may see the DCPA in its high-visibility location and simply assume that all of Denver’s arts organizations are located within that complex. Only a patron willing to search through a newspaper or a difficult-to-follow website with out-of-date information will be able to find out about other companies. Both of these options require deeper level of research and a higher barrier to entry than quickly browsing the offerings of well-designed attractions sites. Combined with the fact that these theatres are located far away from one another and that many venues have less than ideal physical locations, it’s easy to see that small and mid-sized theatres face an uphill climb in making their presence known to a wider audience. Their biggest growth challenge is simply connecting to potential patrons.

## **The Elephants in the Room – The Denver Center and the Arvada Center**

Last year, well over than 50% of the people who saw theatre in the Denver-Metro area saw a show at the Denver Center for the Performing Arts, also known as the DCPA (Moore Interview). This isn't exactly surprising given the scale of the organization. The DCPA complex on Speer and Arapahoe, which spans over a city block, houses nine performance venues, all of them with significant union relationships ([denvercenter.org](http://denvercenter.org)). The complex sits next to the Colorado Convention Center and is two blocks away from Denver's 16<sup>th</sup> St. Mall, the best-known commercial center and restaurant district in the city. Combining the resident Denver Center Theatre Company (or DCTC) and Denver Center Attractions (the arm of the complex that produces popular entertainment and books touring shows) there were twenty-nine separate productions, 926 performances, 155,000 seats bought through subscriptions, and approximately 541,000 attendees with total revenues in the ballpark of \$54 million in the 2010-2011 season (DCPA Annual Report). As a comparison, adding the most recent year of financial revenue for every theatre in this study gives a total of approximately \$6.2 million, or about 11.5% of the DCPA's total. The DCTC regularly attracts professional actors, playwrights, directors, and designers of the highest caliber with strong national and Broadway credits. Denver Center Attractions has opened the national tours of *The Lion King* and *Sunset Boulevard*, incubated new shows such as *Girls Only*, hosted the out-of-town development of *The Little Mermaid*, and it will be the opening location for the tour of mega-hit *The Book of Mormon* in the fall of 2012 (DCPA Annual Report). By almost every metric the complex dwarfs the rest of the Denver theatre community put together, and is the obvious shining beacon for the performing arts in the Denver Metro Area.

The next biggest game in town, The Arvada Center for the Arts and Humanities, is significantly smaller and its presence is not nearly as obvious in the Denver-Metro community as

a whole when compared with the DCPA. That is not to suggest, however, that the complex is small; financially speaking it is still almost twice as large as the theatres in this study combined. Located at 6901 Wadsworth Avenue, the center contains two theatres, three art galleries, and a robust arts education program (*Arvada Center*). It operates on a budget of approximately \$10 million and has approximately 6,000 subscribed seats annually, with a total theatre attendance over 69,000 (Arvada Center, “2010 Annual Report”). Both of its theatrical venues are Equity houses. The Arvada Center produces 6 shows annually, several of them big-budget musicals that feature leads cast from Broadway and national tours. Its arts education programs not only bring families and children to the center, but also create a popular outreach program that performs dozens of student matinees every year. While certainly in the shadow of the Denver Center itself, the Arvada Center is still a high-budget, highly visible arts center, and it operates in a completely different format than the theatres in this study.

The presence of these two major theatre centers has a number of effects on the Denver-Metro area. A major one is that these mammoth organizations draw their attendance from throughout the region. Both have advertising budgets that dwarf the entire annual budgets of many of Denver’s smaller theatres. They both have the advantage of large educational programs, and the ability to easily draw school groups from throughout the area; importantly here, they also have the financial resources to support subsidized student matinees and daytime education workshops (DCPA Annual Report; Arvada Center, “Annual Report”). The theatre critic for Boulder’s *Daily Camera*, Mark Collins, is clear that “there are definitely people from Boulder who go to the Denver Center, and I imagine there are some who go to the Arvada Center.”

This wide reach can be argued as both a positive and a negative influence on other theatres. Certainly a Denver Center production can take a bite out of a theatre patron’s available entertainment budget. While smaller theatres surveyed rarely had a ticket price over \$25 (and

often had lower rates), most Denver Center productions have tickets starting at \$35 and can reach up to \$125 for major attractions (denvercenter.org). Large ticket prices definitely have the potential to limit a patron's spending on other theatres. Beyond ticket prices, there is the matter of direct competition, about which theatre managers have differing opinions. Chip Walton of the Curious Theatre acknowledges that there is some crossover between his audience and the DCTC, but sees them as serving two distinct audience segments; in his mind while Curious patrons may like some of the Denver Center's offerings, they come to his theatre because they're not satisfied with those plays alone. Stephen Weitz of Boulder Ensemble Theatre thinks that a positive experience at the Denver Center encourages Boulder residents to want more quality theatre close to them. On the other hand, Michael Duran of the Boulder Dinner Theatre sees Denver Center Attractions as a behemoth he will never be able to compete against and the Arvada Center as a city-funded entity that can draw from a far larger talent pool than his theatre. To him, both companies are direct, government-subsidized competition. And LIDA Project's Brian Freeland claims the draw is a side effect of the fact that they are "free market art: really commercialized, really homogenized art" that has failed to challenge its patrons. Either way, most theatres in the area know that their patrons attend one of these two organizations, and most theatre managers interviewed implied or directly state that they set the standards.

Beyond attracting a media spotlight, the Denver Center and the Arvada Center both influence the Denver-Metro area in other ways as well. Due to their prominence in the community both companies often get top billing at the *Denver Post* and both can be assured a review for every show that isn't a remount (Moore Interview). Similarly, the only shows that Mark Collins consistently reviews outside of Boulder are the DCTC plays and touring attractions. As the largest houses in the area (and therefore the most likely to generate buzz and royalty revenue for rights-holders), the Denver Center and the Arvada Center also tend to have

their pick of plays for a given season. This is particularly important for companies who focus on recent plays such as Curious and Boulder Ensemble. Many times a regional premiere (or in rare cases simply any production) of a play will be withheld from a smaller theatre by a rights-holder in the hopes that the Denver Center will select it (Walton, Weitz). The Arvada Center, though it tends to stay away from recent plays, has its first pick of musicals, which can cause musical-focused companies like Littleton Town Hall Arts and Boulder Dinner Theatre to wait in line (Duran).

A major disadvantage for non-profit theatres is that just as the marketing budgets of the two larger organizations can better attract patrons, their development departments are more robust and far better equipped to cultivate a donor base. Less than half of small theatres surveyed had a paid development director, and only a fraction of those were full-time employees. Both the Denver Center and the Arvada Center have many full-time development employees, and both have lengthy donor and corporate sponsor lists in their annual report (seven pages long for the DCPA) ([arvadacenter.org](http://arvadacenter.org), [denvercenter.org](http://denvercenter.org)). In addition to brandishing the cachet of donating to the largest companies in the region, both organizations simply have a more robust infrastructure to attract unearned income. Government funding is also stacked in favor of the DCPA and the Arvada Center, as the terms of the SCFD are legislated to benefit these larger organizations the most. In a world with finite donors, government funding, and grant dollars, the DCPA and the Arvada Center have a much stronger ability to attract unearned income.

John Moore is quick to remind those who complain that the Denver Center is a huge cultural boon for the area, and that “those who say otherwise have an ulterior motive [...] It is providing reciprocity in the overall growth of the theatre community.” Moore points to the resident company of actors at the DCTC, many of whom have performed at smaller Denver-Metro theatres after settling in the city. He argues that without a major equity house, great actors

like Mike Hartman, Kathy Brady, and John Hutton wouldn't even consider Denver in the first place because it offered them no opportunity. As he explains, many local theatres have benefitted from high profile Denver Center actors taking on a role in their company:

The fact that the Denver Center exists is the reason Paragon had Sam Gregory in *Who's Afraid of Virginia Woolf* and *The Real Thing*, and they're the reason that John Hutton just starred in *A Number* at Curious Theatre Company. We're showing great signs in evolution there, where the coexistence of the Denver Center Theatre Company with other companies is paying off in very tangible ways for smaller theatre companies [...these actors] need a place to work in the summertime. (Moore Interview)

Though it will close by the end of 2012 due to DCPA restructuring, the National Theatre Conservatory was a similar boon for smaller theatres in the area. An MFA acting program with a national draw, the program was run out of the Denver Center, but also provided a number of strong actors who would work in or collaborate with smaller companies like Stories on Stage and Curious (Moore Interview). A few of them, like local actor Josh Hartwell, even chose to settle in Denver after their education here, providing a long-term benefit to the area in the form of a talented and trained actor pool.

The presence of two major theatrical venues in Denver has a number of different effects on their smaller compatriots throughout the region, but it's tough to say whether those effects are ultimately positive or negative. Though the theatres undoubtedly (and many would say rightfully) gobble up media attention, donor focus, and patron time and money, they also cultivate some local talent and increase the awareness of theatre as an art form throughout the Denver-Metro area. In a sense, they provide inspiration and hope to the entrepreneurs who start

theatres as well, proving that a sustained existence is possible in the city. Still, even Moore notes that it's a difficult task to break out from behind the DCPA and the Arvada Center's shadow: "Curious has been the exception, there's now some Curiouses in the works [...] but at the time it was the Denver Center and no one has broken out like Curious has in the last 15 years." (Moore Interview)

### **The Outside View – Perceptions of Denver's Theatre Market**

When asked to describe the theatrical ecology of Denver, John Moore poses an interesting rhetorical question: "Would Denver be a better theatre city if half of the theatre companies folded tomorrow? Some people would suggest yes" (Moore Interview). The issue is one of refinement. To explain, Moore steals a metaphor from Chip Walton, the Artistic Director of Curious Theatre, and expands upon it:

The Denver theatre ecology is a tree with a very narrow branch [...] and it flowers up here, and there's the Denver Center and Curious and a couple others, but that trunk is narrow. It's a long tree, but it's not healthy [...] Chip] says, 'The Denver theatre ecology would be much healthier if it had fewer and healthier companies.' instead of all these fly-by-night companies who do a show here and there and don't pay anyone, they're not building anything toward the future. He says, 'We're never going to be considered Chicago until that trunk is thicker,' and it's made thicker by companies like Paragon stepping up to the next level [...] things like going Equity and having these LORT contracts. He says 'There need to be eight or ten Curiouses in a city before you can really call it a healthy and vital [theatre] city.' And I have to agree with him and it kills me. (Moore Interview)

Given the prominence of the Denver Center and the Arvada Center in the region, this metaphor could just as easily represent the public perception of theatre throughout the Denver-Metro area. Most people see the flowering branches at the top of the tree as the best Denver has to offer, and ignore the trunk as background noise. Jan Brennan, the director of cultural programs for Denver's office of Arts and Venues suggests that the same limited knowledge of theatre applies to the city's leadership: "There are a few prominent theatre companies that are quite well known. I suspect many community leaders [...] don't have an accurate sense of the full depth of the theatre community." Susan France, Vice President of Programs for the Bonfils-Stanton Foundation, puts it more bluntly by saying that compared to other arts, "theatre is a little invisible," and suggesting that the attitude of the average patron is, "If I spend money, I'm going to do it once or twice a year, and I'm going to go to the DCPA." The idea of a few flowering branches is also visible in the number of steady jobs that Denver can provide. "The number of people in Colorado who work full time for one employer in the theatre is a very small number. They're mostly staff people at the Denver Center. The Arvada Center it's hard to define, because they're more than just a theatre company [...] if that's how you define being a theatre professional in Denver, it's very sad." (Moore Interview)

The comments above are accurate, but it's important to note that they reflect a snapshot of theatre in the moment. Most small and mid-sized theatres are operating on a budget of \$500,000 dollars or less (some under \$100,000); without a significant financial windfall, none of them could instantly become another flowering branch in the mode of Curious, let alone the DCPA. To create a healthier tree, the theatre community needs to experience steady growth over time, and there are certainly signs of that in the community. Jan Brennan, noting the strengths of Denver's arts, cites the fact that Colorado has the fifth highest number of artists per capita in the US, and that cultural consumption statistics for the Denver-Metro area are strong. She points



out, “One of the things about the Denver-Metro area is that we do have very strong neighborhood and community identities [...] so those organizations are aware of the local assets that they have.” This suggests something very interesting: that while citizens and officials in general are only aware of a few theatres, they may know the companies in their own areas far better than those in other locations. Susan France considers the fact that theatres have a limited view of their market potential due to the city’s geography: “I wonder whether in this market you are more afraid of losing market [share] than you are keen to gain it, you get into this more bunker way of thinking [...] as opposed to thinking, ‘maybe if we all did this together,’ this whole Starbucks/McDonalds model, where do you want exclusivity and where is it good to have a competitor right down the block?” If that’s the case theatre may still have a presence, but its struggle would be reaching beyond its current community. And according to Jessica Clare, who tracks the attendance of Tier III organizations as one of two SCFD Program Managers, it may already be happening: “From the numbers I’ve seen, a lot of theatres have had record-breaking attendance in the last year, which tells me that people are going to theatre.” When asked about theatre in Boulder County, Mark Collins is fairly bullish. He sees great growth from companies like the Boulder Ensemble Theatre, the Boulder International Fringe Festival as a producer, and the strength of the graduates of performance programs at CU-Boulder and Naropa as huge positive influences on the city: “There are a lot of challenges to it, but there’s a lot of [...] vitality to at the same time.” It’s clear that though Denver’s theatrical tree is not yet thriving, support is there to help it grow.

Counter-intuitively, Small and mid-sized theatres have benefitted from being less vulnerable to the economic recession of 2008 because they had fewer income sources at risk. Susan France suggests that while Denver’s overall arts picture is strong, there have been serious financial cracks revealed in what she calls “key institutions” like the Denver Center, the

Colorado Ballet, and the Colorado Symphony Orchestra, over the past five years. This has caused the Bonfils-Stanton foundation to second-guess pouring so much of its money into large institutions and instead consider funding smaller ones more capable of growth. She asks rhetorically, “Do we try to shore up, save, and move forward those few major organizations [that] are hemorrhaging funds? Is that where we can have the greatest impact? Or if we didn’t do that, if we gave in different ways [...] what would that look like?” Because Tier III organizations were small to begin with, their cracks are smaller, too: they have been less likely to lose a large angel donor, were less reliant on SCFD funding, and their foundation support has not dried up to the same degree as larger institutions. Since virtually none of them have a significant endowment, few small and mid-sized companies have felt the squeeze of its interest going away. With tickets under \$25, most of these companies are also relatively inexpensive to attend and can stretch the dollar of a theatergoer on a tight budget. Brennan verifies the resilience of smaller organizations: “Our arts community like every arts community is experiencing a tough time over the last couple of years. We have had maybe one or two small arts organizations go under in the last three years, though, which is pretty amazing.” As a result of being relatively less depressed economically, small and mid-sized theatres are in an advantageous position to grow quickly as the economy recovers.

Despite the ability of small and mid-sized theatres to survive the recession, many watching from outside have concerns about how they operate and their plans for growth. Based on John Moore’s finding that 129 theatre companies have gone out of business in Colorado in the last ten years, the life-cycle of these companies is short. “I would suggest out of the hundred theatre companies that produced a show this year, maybe fifty of them won’t be around five years from now” (Moore Interview). There are a number of reasons for this, but one that Moore hears frequently is that theatre companies essentially live from show to show and try to break

even. A business model like this is especially vulnerable to a single mistake, because one poorly attended show will put the company too far in the red to justify its existence. Perhaps more frightening, this sometimes causes members of the company to inject their personal finances into the company to give it a second chance. Moore knows of several company owners and administrators who have taken a second mortgage on their houses to prop up a theatre. He sees a lot of hand-to-mouth and few business plans:

Far too many of these guys are like ‘let’s pool our resources’ and they just aren’t thinking past the first show [...] If we’re going to become a real [theatre] city, you have to have a business plan before you start. That means that other people have to buy your vision [...] Everybody has to have their Donald Sewall [the primary initial funder for the Denver Center], or in the case of the Aurora Fox and the Arvada Center, their city government. If you can’t find [...] someone who believes in your vision [and] can back it up with money, then don’t do it [...] because I don’t want you to lose your house. (Moore Interview)

Another way of expressing Moore’s advice is to say that all theatres need to consider infrastructure an important part of their business model. Like any business venture, theatre companies (both for-profit and not-for-profit) are well-served by envisioning themselves with a clear mission statement, annual budget, and a projection of revenues and expenses. Importantly, though Moore emphasizes angel donors, a plan should be able to attract some form of interest from unearned income sources like foundations, governments, and/or the community. From Moore’s perspective, the companies that develop a business plan stay around, and those that don’t have a tendency to evaporate quickly.

An issue that affects the ability of theatres to operate under reliable and consistent circumstances is the acquisition of a venue. Jessica Clare of the SCFD hears about this regularly. “There are not enough venues for the amount of theatres, and they’re drying up all the time. We’ve had several spaces in the last few years that have closed down because [...] they’re leasing space and the owner decides to sell them, or turn them into something else [...] I think affordable venue space is something on a lot of theatre company’s minds.” This is certainly true in Boulder. Mark Collins outlines the issue, noting that only two theatre companies there (Boulder’s Dinner Theatre and the seasonal Colorado Shakespeare Festival) have their own venues: “Space is the big [limitation] that I hear from theatre practitioners [...] Rental space at the Dairy Center is really prohibitive [...] it’s too expensive.” Despite these anecdotes, though, only seven of the twenty-five small and mid-sized theatres surveyed (28%) do not rent a space as a sole tenant, and for at least two of those seven (Stories On Stage and Square Product), renting space as needed is their preferred method of operation. Having a consistent venue is the norm for small and mid-sized theatres, and may be an indication of why they are able to survive. On average, the companies from the survey with a consistent venue have existed for twenty-two years, while companies without a venue have only existed for an average of ten. Almost every company in the survey that has existed less than ten years does not have a permanent home or shares a venue with other companies (the one exception is the Candlelight Dinner Playhouse, which opened four years ago in a multimillion dollar facility built for it). Venues can provide theatres with important benefits: stock storage, a familiar layout for production, and a projection of permanence and stability to the community. Many theatres with a venue also rent their facility for additional revenue. John Moore points out, however, that purchasing a venue at the wrong time or planning on using it to expand a company’s revenue streams can be dangerous if the model is not carefully considered. Both Shadow Theatre and the Crossroads theatre serve as

recent examples of companies that attempted to make unreasonably high rent and debt payments. Crossroads could not book enough events and was repossessed by the city, and Shadow Theatre was forced to abandon its space and declare bankruptcy (Moore Interview).

The theatrical ecology of Denver is more complex than a narrow flowering tree, but the metaphor provides a descriptive snapshot of the situation most theatres find themselves in today. While there are a limited number of theatres featured prominently in the city, the opportunity for growth is definitely there. Small companies have smaller losses to recoup after the recession, and find themselves in a position to consider growing faster. Many small and mid-sized theatres possess the strategic advantages of residency in a venue and a well-thought-out business plan. These theatres, with careful management, have the potential for sustained growth and a chance to come into the regional spotlight over the next few years.

### **Theatre in the News**

After word of mouth, virtually every theatre manager I interviewed named newspaper reviews as their most effective form of marketing. Theatres in the Denver-Metro rely heavily on newspapers for free advertising, publication of performance dates, and the all-important review. In the Denver-Metro area, as with the rest of the country, newspapers are in the midst of a major contraction. Mark Collins is clear when asked about the effect a theatre critic can have on a local scene: “I think that not having a full-time theatre writer at the paper affects [theatre].” John Moore is similarly concerned: “From a national perspective the number of full-time theatre critics is dwindling, I don’t think that will be a surprise to a lot of people, but it is, I think, a very dangerous trend [...] probably a thousand times more people will go to a movie than see a play in a theater” (Moore Interview). Moore points out that it would take 1400 straight weeks of *The Book of Mormon* selling out on Broadway to equal the opening weekend attendance for even a

mediocrely attended film like *The Hangover 2*. “We’re just like any other newspaper in the country [...] I’m holding on for dear life, my role right now, and this could change next week, is that I’m one of the few remaining full-time newspaper critics in America.” Moore said this in late June of 2011, and appears to have been correct. On November 30<sup>th</sup> of the same year, Moore left the *Denver Post* as the result of a buyout, and as of March 2012 no one has been appointed as a full-time critic to replace him (denverpost.com). The loss of Moore himself, his weekly theatre column, and his position, is a great blow to the theatre community.

But this does not mean all hope for Denver’s theatres in the news are lost; far from it. Despite Moore’s departure, the *Denver Post* still reviews three shows a week and publishes regular feature and news stories about the theatre community. Likewise, the *Daily Camera* reviews at least one show per week and publishes occasional features. Finding a way to make sure a show is reviewed is still a vital marketing component for many theatre companies, and both the *Denver Post* and the *Daily Camera* have specific requirements about a show they are going to review.

Collins tries to review approximately one show a week for the *Camera*, but the space is never guaranteed. Overall, Collins reviews about sixty shows a year. Any reviewed show must run at least two to three weekends, because “We don’t do next-day reviews” (Collins). Collins finds that theatre companies open their shows in clusters, so he often has to pick one show out of several on a given weekend. He also occasionally reviews shows at the DCPA or Arvada Center, if time permits and there is not a more pressing Boulder show. A production’s topic or title can shift the balance; if there is a choice to make, he goes with the more interesting subject matter. Other than that, Collins does not have many restrictions on which companies he will review, other than attempting to be fair to all of the city’s theatres.

At the *Denver Post*, Moore describes a much more specific system, likely a result of the larger number of theatres in the city. The review team (which until recently included Moore as the full-time critic with guest freelancers, but has since shifted) will publish three reviews per week (up to 160 in a year), one each on Monday, Thursday, and Friday, in order to “express the totality of the theatre experience in Denver” (Moore Interview). Shows must have at least a three week run to be considered, because the paper wants to allow their readers to have the time to make a calculated economic decision to see a show. The paper will review every show at the Denver Center, the Arvada Center, and Curious Theatre by default; other theatres have to fight for the remaining spaces. It helps if the company is being reviewed for the first time in a calendar year, as the *Post* tries to cover as many companies as possible (last year they reviewed 63). The paper will review the more interesting or newer title if there is a question between two plays, and tends to avoid remounts and “warhorses” that a company has mounted several times. Having more shows per week also affects the critic’s ability to attend and review the show. Almost every open play in town is running on a Friday night, but on a Tuesday critics have far fewer options to choose from. Finally, a long run may actually delay a review’s placement in the paper as it can be pushed back, compared to a show with a shorter run which needs a fast turnaround to be relevant.

The review systems used by both papers have a significant effect on how Denver-Metro theatres operate. One obvious result is that most small and mid-size theatres run their productions for at least three weekends in order to attract a review. Both newspapers privilege the largest companies in the area, which is understandable given their reach. However, this may hurt theatres that attempt to open their shows on the same weekend as the DCPA, Arvada Center, or Curious. Theatres can also make a review for their work more likely by opening a show at an unusual time, or by having performances on Tuesdays, Wednesdays, and Thursdays as well as

over the weekend. Longer runs, though they may delay a review in the *Denver Post*, can still make a review at some point more likely, because the papers will have more dates to come and see the performance. Companies that produce new works and regional premieres also have an advantage, as both critics tend to favor work that is more interesting or original.

Both critics see their roles in the theatre community as a combination of reporting and advocacy. Collins sees his reviews as a tool for the audience first: “I think I first of all want to inform the reader about a specific play and my reaction to it [...] I think that serves the company too.” Moore agrees, but adds an element of tough love to his characterization:

I think part of my job is mutually beneficial. On the one hand part of my job is advocacy, about letting people know about things they don’t know about the theatre community. At the same time my job as a critic is an important job in the development as a city as a theatre city to hold companies to a higher standard than, say internet bloggers or [...] advocacy critics who tend to rave about any play they go and see. (Moore Interviews)

Both papers also have feature articles on theatres, once a week in the *Post* and about once a month in the *Camera*. Moore notes, “The challenge is you’ve got to come up with an angle that’s more interesting than the people who are in the show,” and tries to avoid simple “behind the scenes” exposés. Collins is wary of turning the paper into an advertisement, with both features and a review: “We do publicity. I don’t do publicity, but I’m part of the publicity aspect theatre, but I’m not marketing. I’ve heard anecdotal evidence that said when people read a review that’s favorable they’ll say, ‘Oh we had a surge in ticket sales.’ But that’s not my job at all.” Instead, he hopes to report on interesting events and developments. Collins points to features such as one he wrote for the Boulder Ensemble Theatre Company: “When BETC



opened [...] *Crime and Punishment*, I did a story that same week and it wasn't so much featuring *Crime and Punishment* but it was saying that this was the first time they were doing educational outreach."

In part because of the decline in newspaper coverage, many Denver-Metro theatres are attempting to connect with their audiences more directly through the use of the internet. All of the theatre companies in this study have websites and email lists, and most send out periodic newsletters or "e-blasts" to their patrons through email services like Constant Contact. The emails are an affordable and direct way (\$75 a month for a mailing list of up to 10,000 using Constant Contact) to make sure that a company is able to stay in touch with interested patrons whether or not they read a newspaper. E-blasts allow a theatre company to maintain a regular marketing presence. They can also redirect patrons to a newspaper's reviews and features posted on the web, helping them access independent accounts of the theatre's activities more easily. The problem with email newsletters and website is that they are an opt-in method of reaching a customer, and they are less likely than a traditional newspaper article to help a theatre company attract new audience members.

Publications from a theatre company also have a clear potential for bias in favor of their own activities and products. As a result company newsletters can't be an effective substitute for the independent review that a traditional newspaper can provide. There have been several websites created for the express purpose of theatre reviews and news. These include He Said/She Said Critiques, Deb Flomberg's Denver Theater Examiner, the Denver page on [broadwayworld.com](http://broadwayworld.com), and Bob Bows' [coloradodrama.com](http://coloradodrama.com), among several others. All of these pages are regularly updated and offer some sort of information about Denver-Metro theatre, and they certainly offer the benefits of independent sources. However, many of the "news" stories are simply a word-for-word reposting of a press release from a theatre organization rather than a

journalist's investigation or analysis. There's also some question as to whether or not the reviews are well-informed and neutral. John Moore says many of Denver's website critics are "booster critics who tend to rave about anything," and suggests that they have more interest in promoting theatre than holding it to any significant standards of quality (Interview). There may be some truth to this: many internet reviewers, like the Denver Theatre Examiner's Deb Flomberg and He Said/She Said's David Cates, are also working theatre professionals in the Denver-Metro area, which could easily create a conflict of interest in a review. In Contrast, Bob Bows is an independent contributor to the *Denver Post* and *Variety* magazine with a long history of journalistic integrity, but his website provides very little contextual information about him or his reviews and has no clear connection to other Denver theatre resources (*Colorado Drama*). All of these websites suffer from the same visibility problems on the web as small and mid-sized theatres and event calendars; that is, they aren't easily searchable, they tend to have confusing or unprofessional site designs, and there is no centralized way (such as a Denver theatre critics hub) to access all of these reviewers' opinions. While any effort to put independent news and reviews about theatre online is an improvement for theatrical journalism, the sites that currently exist have yet to replace the transparency, neutrality, and visibility of the *Denver Post* and the *Daily Camera*.

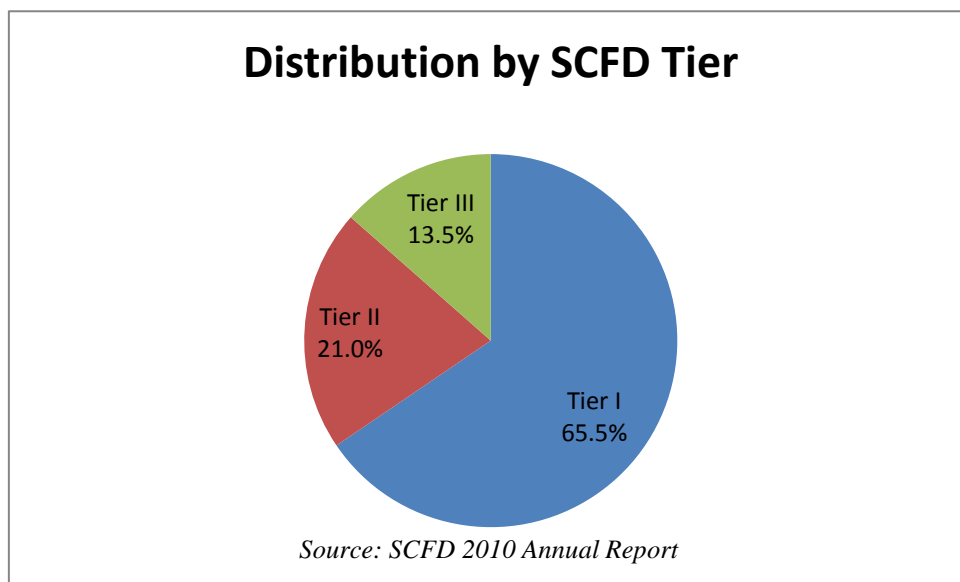
As theatrical criticism and the role of the newspaper evolve in the Denver-Metro area, it will continue to have an effect on the region's small and mid-sized theatres. Given the struggles of the newspaper industries and Moore's departure from the *Denver Post*, it is reasonable to expect that newspaper coverage of theatre will decline in the future. Reviews and media coverage are currently vital parts of small and mid-sized theatre's marketing plans, so this decline may inspire them to develop new marketing approaches. Still, it is important for companies to understand the details of reviewers' requirements and the angles they pursue in

order to secure as much newspaper coverage as possible, and to consider alternate methods for reaching their audiences.

### **The Scientific and Cultural Facilities District**

The Scientific and Cultural Facilities District is a voter-approved multi-county non-profit funding program that runs in seven counties of the Denver-Metro area. The legislation was passed in all counties as a referendum in 1994, renewed in 2004, and will now sunset on June 30<sup>th</sup> of 2018 if it is not renewed again (scfd.org). All member counties collect a sales tax of 0.1%, or of one penny on every ten dollars, and combine it together. This creates a pool of approximately \$40 million annually which is used to subsidize artistic, scientific, and cultural activities in the seven county area. Jessica Clare, SCFD Program Manager, acknowledges that the SCFD is “a very complicated system and a lot of people [...] they know the SCFD gives money to organizations, but they don’t know how.” Because there are policies that vary from county to county, especially in Tier III, this is true. Still, the basics of the law are fairly simple.

The money is divided into three tiers. Tier I contains five specifically named organizations: the Denver Botanic Gardens, the



Denver Art Museum, the Denver Museum of Nature and Science, the Denver Zoo, and the DCPA (SCFD Annual Report). These organizations receive approximately 64-65.5% of the total

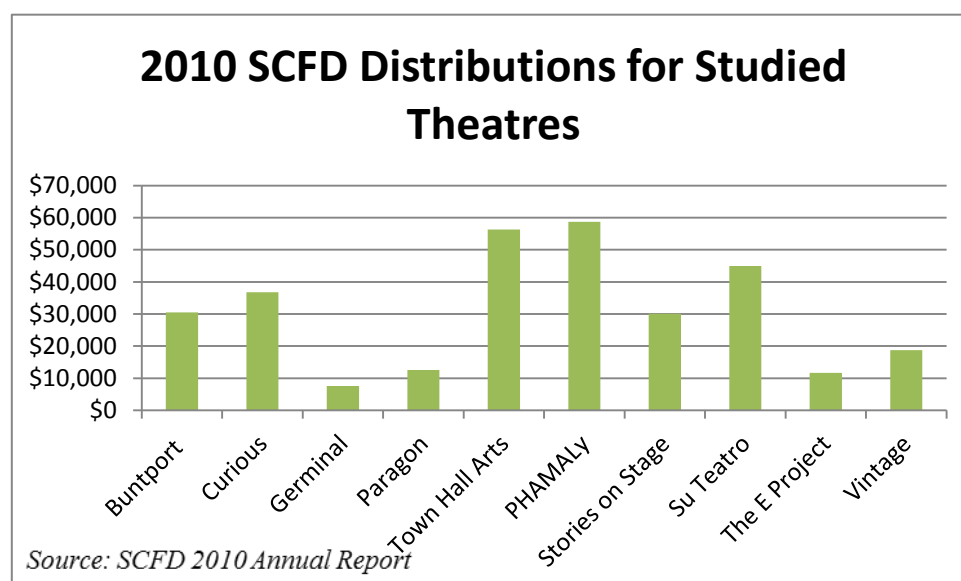
funds (depending on how much is collected), which is split between them based on a percentage division in the law. Tier II contains twenty-four organizations that are able to track their paid attendance and have annual budgets exceeding approximately \$1.45 million (the Arvada Center is the only producing theatre that qualifies for this tier). They receive 21-22% of funds. Tier III contains 226 non-profit organizations that have met the eligibility standards of SCFD and have existed for at least three years (scfd.org). These organizations receive the remaining 13.5% of funds, which are administered separately by each county in the District based upon rules determined by that county. Most counties have rules that allow organizations based in that county to apply for general operating support, and also allow outside groups to apply for specific project grants based in that county. Denver allows organizations to apply for 15% of their budget up to a ceiling of \$40,000 and offers no project-based support (scfd.org). Boulder allows 20% of an organization's budget up to a \$25,000 ceiling and offers some project-based support.

There are plenty of other small details about the SCFD; the statute is complex enough that a study of it, its history, and the concept of creating a multi-county art district could easily become a book in its own right. What is important to understand about the statute from the perspective of a small or mid-sized theatre is that if a non-profit theatre can last in the District for at least three years and meet eligibility requirements, it can apply for a subsidy that constitutes a significant portion of its annual budget. In 2010, the eligible theatres in this study received a combined total of over \$300,000 out of a total of approximately \$530,000 given to all Tier III theatres, with some individual organizations receiving over \$50,000 (SCFD Annual Report).

To be receiving SCFD Funding, a Tier III non-profit must fill out an annual application for funds (as well as a separate application for eligibility on their first year receiving funding). While the paperwork applying for eligibility can be complicated and detailed, Clare sees this as a necessary step:

To be eligible to write a grant you have to go through the eligibility process. And that's staff's way, since these are public tax dollars, we have to make sure the organization's mission fits the statute [...] as well as that they're financially viable when they come to us because we want to make sure that if organizations are getting public money that they are going to be able to spend it in a reasonable way. We take a 360 look when an organization comes to us. There are lots of different factors that go into it [...] You have to be a 501(c)3 for at least three years before you come to us, because we're not an organization that gives funding for startups. We're there to help organizations that are already serving the public.

Beyond the three-year requirement, the financial viability portion of the equation is a major issue. SCFD does not allow money to pay down debt, and applying Tier III organizations have to be able to explain the existence of an overall shortfall in their budget. Once these requirements are met, however, there is little qualitative assessment by the statute and by the county boards that oversees the allocation of SCFD funds. If a non-profit meets the

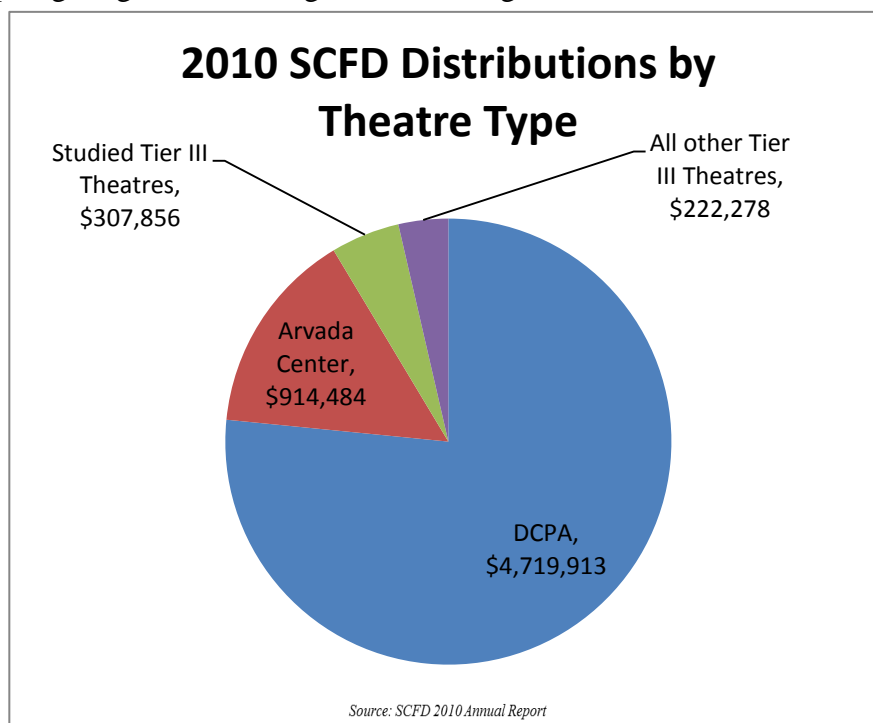


requirements, they will receive a significant portion of the funds they request. In last year's application process, 226 Tier

III organizations were funded, while less than ten that went through the process were denied funding (Clare).

While the presence of SCFD in the Denver-Metro area undoubtedly benefits the small and mid-sized theatres who receive funding from it, the measure is does generate some controversy. None of the people surveyed would claim he or she was ungrateful for the availability of thousands of dollars in government funding annually, but several expressed frustration with the statute, and one company (the LIDA Project) has voluntarily removed itself from the funding process. The problems generally stem from the fact that though SCFD has greatly benefitted the non-profit sector in Denver, many feel it has also had a number of unintended consequences.

One of the biggest consequences has been a stratification of the arts. In many ways, SCFD has been designed to keep large organizations large and small organizations small. Susan France of Bonfils-Stanton agrees that “In this town there’s such a difference between Tier II and Tier III.” The disparity between Tiers I, II, and III is obvious when looking at the statute graph, but it actually worsens for theatre when you look at distributions by dollar amount.



Dollar-for-dollar, the DCPA receives over 75% of the total monies distributed to theatre companies, far more than the 65.5% allocated to Tier I as a whole (SCFD Annual Report). Tier

III theatres (including community, non-professional, and children's theatre) only receive about 8.5% of this distribution. The stratification is also apparent when considering funding limits. Most of the seven counties in the SCFD have a maximum funding limit for individual Tier III organizations, ranging from \$25,000 – \$40,000 (scfd.org). This means in Denver, for example, that once a Tier III company reaches an annual budget a little over \$270,000 (at which point they hit Denver's \$40,000 Tier III limit), the company can only request \$40,000 a year until their annual budget grows by over a million dollars and the company can step up to Tier II. Companies like Curious, Su Teatro, Littleton Town Hall Arts, Stories on Stage, PHAMALy, and Buntport are all theatres that are either close to this limit or have already passed it. Essentially, this means these companies must grow their revenues almost 500% before they can expect to receive any further SCFD funding. Though the SCFD statute was likely designed to spread Tier III funding as widely as possible, the limit is seen as a punishment for growth organizations that have hit their Tier III limits. It also makes Tier II seem like a nearly impossible leap for an organization with even a half-million dollar budget. France suggests that this funding cutoff hits organizations particularly hard at a time when they are vulnerable to stagnation. "I think there's evidence nationally, across art forms that there is a [financial] danger zone [...] it's a place where organizations get stuck, and they either stall and fizzle out or they get through it, but it's a struggle." According to her, organizations with a budget of about \$500,000 tend to have the hardest time moving to the next level of unearned income support. If that is the case, SCFD is not doing these Tier III organizations any favors.

Another often-heard critique of the SCFD is that its openness to funding has caused an over-proliferation in small non-profits. Chip Walton of Curious Theatre argues:

I think that Denver has too many Tier III organizations [...] and I think that's an unintended effect of the way Tier III is structured. There are too many organizations out there that serve too narrow of an audience that continue to survive in large part because of SCFD funding [...] There's literally no qualitative assessment in [SCFD] whatsoever [...] there are questions about it, it may affect your total allocation, but there's not even any base line...there's no base line for the value of that organization to the community.

Walton's concerns stem from the fact that Tier III has been growing very quickly, while tax revenues have remained relatively steady. During the 1990s, in the early days of the SCFD, there were approximately 180 organizations that received funding (De Nileon 6). In 2010 that number was 226 (25% growth), and more non-profits apply to the SCFD every year (scfd.org). As a result, more organizations are applying to split the 13.5% of SCFD funds available every year. Walton's point about a narrow audience may also have some merit, though its accuracy is more difficult to tell without in-depth study; because SCFD has no attendance requirements for Tier III, a company could theoretically serve only a few hundred constituents every year and still be just as eligible as an organization that serves tens of thousands. Whether or not these non-profits are of value to their community or if this many are even necessary is likely a matter of opinion, but the idea that more of them compete for the same pool of funding is certainly a cause for concern. It also raises the question of Denver's commitment to grassroots non-profits.

The SCFD does have a method available to address these issues: reauthorization. Currently the statute is set to expire in 2018, but the non-profit community may attempt to put the question to the voters sooner than that to ensure no gaps in funding if the measure fails and has to be run again (Brennan, Clare). Because the statute is a referendum, every aspect of it, from funding ratios to Tier demarcations to eligibility requirements, is up for reconsideration.



Clare explains that the SCFD wants to make sure it is serving the public effectively: “We’re in the process of trying to get input from [...] everyone who’s a stakeholder [...] to figure out what changes will need to be made. As with anything, a lot of it will be incremental changes because it still has to pass.” SCFD itself cannot advocate for its own reauthorization as a government agency, so all of its beneficiaries will have to work together to keep it alive, and that means they have a vested interest in cooperation. This year, it seems that Tier III organizations are already planning to make sure their voices are heard. The Committee to Advance and Support Tier III (CAST3) is a newly-formed advocacy group made up of Tier III organizations, including Curious Theatre and Su Teatro on its leadership council (Stories on Stage, “CAST3”). Its stated goal is to make sure that Tier III organizations have a strong voice in the reauthorization process, and hopes to find ways to resolve the challenges that SCFD faces under Tier III. The effectiveness of their efforts remains to be seen, but for now the SCFD will still provide valuable, if flawed, support to the theatrical community for years to come.

### **Government Services and Support**

The SCFD is the primary fiscal method local governments use to support small and mid-sized theatres, but individual cities and counties offer a variety of other support in many different ways. Cities often provide venues for these companies. A few theatres, such as the Aurora Fox, receive direct additional support and a building from their city governments beyond SCFD. City governments also own several venues which they are able to rent to theatre companies. Such is the case with the Lakewood Cultural Center, the Broomfield Auditorium, Crossroads Theatre in Denver, and the Dairy Center in Boulder, among others (Brennan). Though many theatres who use these venues feel the costs associated with them are too high, the services that they provide in terms of ticketing, technical equipment, and maintained spaces are also well beyond the means

of what many small and mid-sized theatres could afford on their own. Most city-owned venues also have an interest in theatre companies becoming resident organizations within a venue, helping these organizations with reduced rates and a sense of permanence (thedairy.org, Brennan).

Another way governments assist companies is by forming city arts councils or boards that benefit arts organizations. Each city and county takes their own approach. The Denver office of Arts and Venues has four city employees focusing on the performing arts in Denver (Brennan). Other city governments, with smaller budgets, rely on citizen volunteers. Such is the case with the Boulder Arts Commission, where a group of interested volunteers are appointed by the city council (Turbiak). Organizations like these not only advocate for the arts and provide information on the arts to elected officials; they can also take on tasks such as administering city grant funds, hiring companies to present performances to the public or at public arts festivals, and providing technical assistance workshops to non-profits. Government councils can also help the city in drafting regulations that are favorable to artists and arts organizations; Jan Brennan cites the example that the Denver Office of Arts and Venues helped to change zoning laws in redevelopment areas so that artists could have both living and studio space in the same building. Richard Turbiak, a member of the Boulder Arts commission, also discusses city planning in terms of the arts. His commission is in the process of developing a new planning vision for the arts in Boulder, which can encourage the city council to keep arts-related projects in mind. As government organizations, their efforts need to appear unbiased, which also means that they can't focus too directly on specific organizations (Brennan).

State and Federal funding for the arts is a slightly more opaque matter. Colorado Creative Industries is a state-run arts funding organization that typically manifests as a granting organization to individual groups, though they do also offer workshops and technical assistance.

The organization is also behind the Colorado Common Grant application, a standard set of questions that can be used as the basis for applying to dozens of grants across the state. Federal funding is difficult to acquire and is relatively inaccessible to small and mid-sized theatres: “The NEA doesn’t support local programming, and they don’t care how big you are. If what you are doing is local programming, they’re not interested. What they support is someone who’s doing a model that’s replicable [...] to get NEA money, you have to have national scale projects” (Brennan). In general, small and mid-sized theatres tend to be more reliant on local governments for support, although several of the theatres surveyed have applied for grants through Colorado Creative Industries.

### **Corporate and Foundation Support**

Although survey results suggest that individual donations make up the largest share of unearned income for most small and mid-sized theatres, foundations and sponsorships also provide a significant amount of funding to non-profits. Rosanne Sterne, a consultant with the Denver Foundation, outlines three major types of funding sources in Denver. First there are community foundations, which receive direct donations from a community, manage those funds, and give them back to a community based on the areas where that community requests focus. Second are donor-advised funds, where a single donor asks a foundation to manage his or her money and distribute it according to the donor’s wishes. Third are private foundations, where a single major donor will establish a long-term endowment capable of supporting its own perpetuation and developing its own focus. The Denver Foundation oversees separate community and donor-advised funds, while the Bonfils-Stanton Foundation is the most prolific private foundation in Denver in terms of giving to the arts as a whole (Bonfils-Stanton should not be confused with the Helen G. Bonfils Foundation, a separate foundation with a specific funding

mission to directly support the DCPA) (Sterne, France). Sterne estimates that between three and ten theatres receive unrestricted operating support from the Denver Foundation ranging from \$5,000 - \$25,000. In contrast, Susan France says that the Bonfils-Stanton Foundation prefers to give out larger grants, but focuses them on capacity building and project-oriented proposals. Though other foundations exist in the Denver-Metro area, these foundations provide a varied representative sample of the types of giving available to small and mid-sized theatres that can be used to understand the whole.

Each foundation has its own goals and requirements for funding. Any theatre seeking funding must demonstrate how it meets the foundation's requirements. The quirks of each funding organization also create significant differentiation. It is equally important to understand the purposes behind an organization's funding methods, and to keep in good communication with each foundation to ensure continued support. The Community Foundation requirements of the Denver Foundation and the general requirements of the Bonfils-Stanton Foundation, for example, are quite different.

The Denver Foundation's community fund bases its priorities on a series of surveys that are periodically presented to Denver residents (Sterne). As a result, the Foundation reorients its primary mission every decade or so in order to ensure it continues to serve its community. In addition to a paper application, the Denver Foundation relies on site visits to non-profits to understand who and what they are funding, and to assess the excellence of the artistic organization. An organization can receive funding for 3 years from the Denver Foundation, but then must take a year off. This restriction exists so that organizations don't lose their cohesiveness in the event that the Denver Foundation changes its focus or is unable to fund a group. The Foundation will offer general operating support and will consider any 501(c)3 for a

gift regardless of how long they have existed, making it especially important to new non-profits that are not yet eligible for SCFD funding.

The Bonfils-Stanton Foundation has a very different set of rules, and a very different philosophy for giving. One of the elements of the organization that Susan France emphasizes is the idea of engaged philanthropy. In an engaged philanthropic process, the trustees and staff of a foundation are informed about the goals of a project, and take an active and participatory role in shaping the way the funding is used. For France, this starts from the beginning of the process: “Our relationship usually starts with a phone call or a meeting before a grant is submitted.” France will work with an organization to make sure the grant is tailored to meet specific goals, and regularly check in over the process of a grant’s administration. Partially, this is done to protect the integrity of Bonfils-Stanton’s gifts. “There is a sense in our community that if you’re an Arts organization and you’re funded by Bonfils-Stanton, it means something” (France). It also helps the Foundation focus on what France terms “premiere” organizations; those with major visibility and impact in their community. But it also allows the organization to feel comfortable committing much larger sums of money to multi-year grants (as an example, Curious Theatre was the recipient of a three-year, \$150,000 grant from the organization) (Walton). Bonfils-Stanton also has a specific focus on capacity-building grants. These grants are major gifts designed to encourage change in the company’s infrastructure that will make it more effective and more capable of growth in the long run:

We think that there are nonprofits that are underfunded in their infrastructure because nobody will pay for it, so instead of saying, ‘Here’s general operating [money]’ knowing that [Executive Directors] oftentimes are not going to be able to spend it on those more

routine infrastructure pieces, we give grants for that purpose [...] Where would a modest grant really have the greatest leverage in your organization? (France)

In general, Bonfils-Stanton gives out fewer gifts than a large community foundation like the Denver Foundation, but its philosophy of engagement allows it to give one-time grants in the \$25,000 - \$50,000 range.

Both foundations also have a vested interest in making sure that the non-profits they support are well-managed and sustainable; if they aren't, the foundation is potentially throwing money down the drain. As a result, the overall health of a non-profit is assessed whenever it is considered for a gift. France and Sterne have a great degree of similarity in their key requirements: both emphasize the importance of a company with a well-managed budget and strong financials, balanced sources of income, a clear mission statement with a strong vision, an actively involved board of directors, leadership that knows the non-profit's strengths and weaknesses, and a connection to the community that the organization serves. Meeting these requirements are often a baseline requirement for a given non-profit. Many grant applications are turned down because an organization can't demonstrate these characteristics, and grants are also offered only on the condition that organizations fix the structural problems a foundation sees (Sterne). Sterne notes the Denver Foundation goes farther than this, offering a rationale with every grant decision it makes that identifies the strengths and weaknesses of the organizations it reviews.

Something that's notable about all types of foundations is that they routinely examine their focus to make sure they are best serving their own missions. Both the Denver Foundation and the Bonfils-Stanton Foundation have undergone major reorientations since 2010. The Denver Foundation's shift has come as the result of its 2011 Listening Campaign and will have a

major impact on the methods it uses to fund theatre and the arts. In their survey to Denver residents, “Lack of rich cultural offerings” was ranked as the lowest need for improvement with only 0.8% of respondents identifying it as an area that needed improvement (*Listening Campaign*). As a result, the Denver Foundation is reorienting its focus and not placing cultural events at its center. Arts organizations will still be able to apply for grants, but they will have to orient themselves through categories like “Education” and “Economic Development” to maximize their eligibility. Bonfils-Stanton is also refocusing itself after seeing the Denver Foundation and other Foundations pulling away from the arts; it now has an interest in focusing its own efforts on the arts, and reducing its focus on the categories of science and community leadership that it used to support. France says the reasoning for this is that the very void other foundations are creating needs to be shored up, and that Bonfils-Stanton sees a chance for it to become much more useful to Denver as a whole by focusing on the arts community. Still, Bonfils-Stanton will probably continue to focus on longer-term and larger grants, which means that small and mid-sized theatres will need to make sure they are able to work within the Foundation’s philosophy of engaged philanthropy.

Almost everyone from the community that I interviewed agrees that Denver suffers from a below-average amount of corporate giving. Jan Brennan describes the fundamental differences between Denver and other large cities:

Significantly, we lack a corporate culture of giving [...] Denver is not the home to major corporate headquarters. I lived for a while in Dallas, and there there’s just a very strong culture of corporate giving [...] if even a medium sized company didn’t have a branded, annual charity event, the community would be up in arms. There, all corporations are expected to give.

Brennan describes Denver's corporate support as heavily oriented toward "top ten" organizations, which means the DCPA in the case of theatre. Because the companies that are a part of Denver are less invested, they tend to put their money where they think it will have the most visible effect. France agrees with Brennan's characterization, and also discusses the limitations of the area's corporate culture: "In other places, if a new business comes to town, a colleague, not the mayor or governor, will come to them and say 'Welcome to [our city]; here's how we do things. Here's how we give to the community.'" Chip Walton believes that this is another area where the SCFD has been a limiting factor rather than encouraging growth:

SCFD has been used as an excuse, consciously and unconsciously, in our business community, in the foundation community, and in the individual philanthropic community, as a reason that they don't provide greater support for cultural organizations. In their minds, the taxes that they are paying are going directly to a \$40 million tax base that [is] paying for these organizations.

There is also little to no lobbying support for the arts on a state level. Colorado has exactly one arts lobbyist in the state, who runs an organization called "Arts to Zoo" (Brennan). The lack of corporate support is dangerous because it is in a sense an invisible problem: Denver residents and non-profits are not exactly aware what they are missing. The question, then, is how non-profits and other funding organizations can make Denver citizens aware of the problem and discuss the steps that are necessary to reorient Denver's corporate attitude.



## Denver's Future

Jan Brennan has a major concern about the short-term mindset of most arts organizations in Denver. Looking at them, she often wonders: “How many of you have [strategic plans] that last three years? The symphony only has a five-year strategic plan [...] I literally don’t know of a single arts organization that has more than a five-year plan. With this kind of technology arc...Denver Regional Council of Governments, they have ten, twenty, thirty, and fifty year strategic plans.” Her perceptions of a short planning horizon hold true for most of the theatres profiled in this study. Most companies interviewed had an idea of where they wanted to go in the future, but no planning document. In fact, if anything the trend for small and mid-sized theatres has been to pull back from having a specific long-term plan as a result of the 2008 recession. This is potentially problematic because Denver is likely to undergo a number of significant demographic and geographical changes over the next twenty years. The Denver Regional Council Governments, or DRCOG, projects in its 2030 metro vision plan a multicounty urban area with a much older population, significant transportation problems, and a demographic shift toward a “majority minority” community ([drcog.org](http://drcog.org)). All of these changes have the potential to affect Denver-Metro theatres.

One major development that will affect all Denver-Metro commerce is the coming change in transportation. Jessica Clare predicts a major increase in traffic congestion, giving an example: “Driving from Boulder to Denver is going to be an hour and a half, two hour drive in the next 10-15 years [...] that’s why you see these new collaborative efforts between, for example [...] Lone Tree and the Aurora Fox.” DRCOG agrees with this assessment, and suggests as a solution the development of approximately seventy mixed-use transit hubs that are centralized in various local environments. The intent of these mixed-use hubs is to allow residents to use their nearest hub as a source for cultural, material, and service-based needs in

order to avoid long trips as much as possible. This may also transform the concept of a “theatre,” because a mixed-use space might be more effective at a transit hub:

I think there will be a significant growth and demand opportunity for theatre companies to take things out to what are probably going to be multi-purpose facilities [...] maybe the idea of a ‘Theatre’ is over; they’re probably going to perform in a multi-purpose facility that allows for education, recreation, and entertainment. As a matter of fact, we have the Crossroads Theater and we’re trying to get ‘Theater’ off of the brand [...] there’s no reason to call it a theatre, it is definitely a performance environment with a raked seating area and a stage, but we think that the word ‘theater’ may be too confining. (Brennan)

In the future, theatre companies may be at a disadvantage if their performance space is not close to one of these transit hubs. It also suggests that companies who are able to tour to different locations would have an advantage in being able to tap many different markets; they would be able to bring a performance to audiences, rather than force that audience to travel to them. The good news is that these transit hubs will likely have public transportation connecting them, making it possible for citizens of all ages and abilities to travel between hubs. Brennan argues, “This kind of thing, I don’t really think it’s in a three-year plan, I think it’s part of a much broader vision.”

Another change on the horizon will be the development of new technology. Brennan notes that “They say 2020 should be the technology crossover point in which digital environments will begin to approach reality,” including tactile interaction. “If those three things come together with presentation technology [...] theatre is still pretty locked into ‘we are the

actors and we're up here.'" Technology is also a potential method of bridging the transportation gap; Brennan and Clare both wonder which theatre company will be the first to follow the Metropolitan Opera's example on a regional scale, and broadcast a Curious production, say, to Lone Tree Arts Center. While both these ideas may seem the antithesis of live theatrical performance today, Brennan and Clare are correct that technology is changing our perception of interactivity. If these aren't the best ways to use technological developments to theatre's advantage, the solution is not to abandon technology itself, but instead to discover what ideas might work, and how theatre can avoid getting left behind.

The way people experience the arts is changing as well. Susan France notes an overall decline in attendance in the top arts organizations over the past five years. "People are engaging in the arts in different ways, in smaller doses," she says, and this has to do with their changing patterns of expectations. Recently, patrons across all arts have shown a growing interest in being involved with the creative process and in feeling like they have a say in the art that they experience (France, Sterne). Younger generations also have an exceptionally different approach to the arts than their parents. Sterne notes that while they don't attend plays, or go to the symphony, they collect huge libraries of digital media including songs, television shows, and movies. When viewed from this perspective, youth are massive consumers of art, simply on a for-profit basis. "Going forward it's important to meet people where they are, and finding ways to connect to an audience used to for-profit media." Again, it is incumbent upon theatre to find a way to adapt to this change if it wants to attract younger demographic groups. At the very least, the art form will have to convince patrons of the value of a non-digital, non-interactive experience.

Whether or not the predictions above are accurate, theatres would be foolish to think that no changes will affect them in the next twenty years. If they wish to remain viable, small and

mid-sized theatres will have to adapt to whatever changes come down the pipeline. Embracing technology, modifying their business practices to be more flexible, and capturing the attentions of a youth focused on digital for-profit media are all potential challenges that will not be met simply by companies sticking to their current performance models. They also present potential advantages to the companies that identify new needs unmet by current forms of theatre. The art of theatre will most likely survive these changes. The real question is whether or not it will survive through currently existing companies, or new ones that embrace these changes and rise to take their place.

## **PART II – Theatre Company Profiles**

This section approaches twelve companies as individual case studies with the goals of finding common metrics for comparison between companies and describing the business model of each company. Each profile will include a combination of quantitative information based on financial records and survey results as well as a narrative about each company. Primary weight has been given to the interviewees in constructing each narrative under the assumption that these administrators are the most familiar with their own business practice. Whenever possible, the opinions and practices of the company are described in the interviewee's own words. While some broad comparisons between companies may be made here, in-depth comparisons will be reserved for the third part of the study.

### **Charts and Graphs**

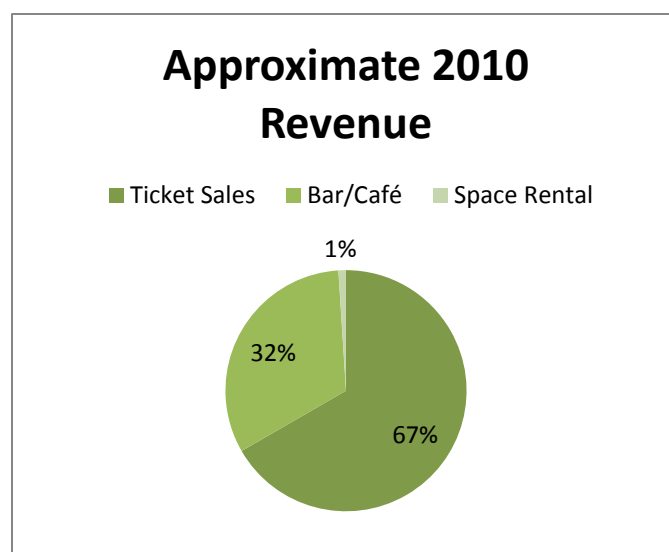
A number of quantitative graphs, tables and charts are used in the profiles below. Several will be standard to each profile. Though much of the data was collected in similar formats (such as from standardized survey results or IRS forms), an exact apples-to-apples comparison of companies is impossible due to data availability, differing fiscal periods, and the differences in accounting practices between companies. For-profit theatres present additional difficulty, because no public financial data is available for them, and as a result their quantitative information is severely truncated in this study. That being said, some revenues and expenses are still categorized in all cases, and there is still value in any sort of comparison. With these differences in mind, I have erred on the side of providing as complete a picture for each individual company as possible. When theatres are directly compared to one another, each company's most recent respective fiscal year (usually 2009 or 2010) is used.

In order to assist readers who are unfamiliar with reading financial statements and other quantitative data, here is a brief description of the major charts and the information I find most useful within each:

- **Historical Revenue, Expenses, and annual Surplus/Deficit** – This is a grouped bar chart showing the overall revenue, expenses, and net surplus or deficit for the organization on an annual basis by fiscal year. This chart is useful in showing the growth or decline of an organization over time, its overall financial scope, and its ability to consistently break even or increase its reserves. The chart is also useful for assessing an organization’s fiscal health in a given year, though it cannot easily account for cash flow and balance issues that stretch between fiscal seasons.
- **Reserves Chart** – This table tracks the cash reserves of an organization based on their surplus or deficit at the end of each fiscal year. Beyond giving an indication of unrestricted reserves an organization has on hand, the figure gives a secondary indication of whether the organization is growing or shrinking and indicates how well an organization might be able to deal with a significant financial shock. Reserve sizes also suggest the range within which the organization can deal with issues of cash flow and short-term expense management. Stable or regularly increasing reserves is a strong indicator of a well-managed non-profit. This statistic is based on Theatre Communication Group’s measure of CUNA (Change in Unrestricted Net Assets) in its annual “Theatre Facts” survey (2).

- **Most Recent Annual Revenue** – This pie chart breaks down all sources of revenue in the company's most recent fiscal year. Because reporting methods for revenue are much more cut and dry on IRS forms than expenses, the categories are much easier to compare. The chart also helps determine how balanced a nonprofit's income sources are, and suggests which areas have potential for growth.
- **Most Recent Annual Expenses** – The flip side of revenue, this pie chart categorizes the expenses of an organization in its most recent fiscal year. Because of differences in accounting processes, the allocation of expenses may differ significantly between organizations. Some organizations, for example, place artist pay under salaries, others under professional contract labor, and still others under production expenses, just to name one example. When appropriate, I will attempt group expense categories together or to interpret the company's expense categorization within the profile.

## Profile – Boulder’s Dinner Theatre



Sources: Survey Results, BDT Website

### Fast Facts

**Years Existed:** 34

**Annual Season:** 4 Musicals

**Season Span:** Year-round.

**Venue Size:** 284 seats

**Part-Time Staff:** 60\*

**Full Time Staff:** 25\*

**Approximate Total Budget:** \$1.5 Million

**Approximate Subscribers:** 540

**Ticket Prices:** \$35 - \$56 (includes entrée, salad, bread)

\*Includes performers and technicians.

## Overview

Boulder’s Dinner Theatre was founded in 1977 by Boulder High School’s Drama teacher after controversy erupted over his decision to produce *Jesus Christ Superstar* at the school (Duran). With the support of four wealthy Boulder couples who purchased land at 5501 Arapahoe Avenue and built a 284 seat proscenium theatre to lease to the fledgling company, the Dinner Theatre opened with a remount of Boulder High’s production featuring a combination of high school students, community actors, and a few non-union professionals. The theatre has operated continually since its founding, though the owning and operating partners have changed since its inception. Today Gene and Judy Bowles are the sole investors in the company, which is run by Producing Artistic Director Michael Duran.

The theatre has always operated as a for-profit business, though since 1977 its production standards have increased dramatically, and Duran estimates its total annual operating budget at approximately \$1.5 million. Today, all of the shows feature non-union professional actors,



professional musicians, and design and production from a full-time technical staff (Duran). The basic business model shares much with traditional dinner theatres: with the purchase of a ticket, patrons receive both a ticket to the show and dinner, though drinks, upgraded entrées, and dessert are available for an additional premium. However, the major difference at BDT is that the actors also wait tables before the show and at intermission, allowing direct interaction between performers and patrons outside of the context of the show. The company rotates a season of four shows every year, running from August to August, with daily performances from Wednesday through Saturday and matinee and evening performances on Sundays. Other than a single tech week between the closing of one show and the opening of another, the theatre is never dark. Boulder's Dinner Theatre features some of the longest show runs in the entire Denver Metro area, sometimes running longer than three months for a single production (Duran figures the average run of a longer show to be between sixty-eight and seventy-two performances).

### **Production and Structure**

A unique aspect of BDT as compared to other Denver-Metro theatres is its status as a dinner theatre, which makes food and foodservice a major business concern. Duran isn't exactly thrilled about this, "If I could do this without food, I would [...] but since we do do food, I want people to come away with the feeling that the food is good. I want the dining experience to be as good as the theatre experience." The food provides several competitive advantages for the theatre company: first, it helps to justify a fairly high ticket price when compared to the rest of the region; second, it incentivizes patrons to spend more at the theatre on drinks and premium priced food items; finally, it allows the waiter-actors to collect tips, a major subsidy to their paycheck. This last part is especially important in hiring and retaining talent. BDT is the only

business in Boulder where an actor can land a year-round acting job that pays a living wage, which makes it a very attractive working proposition for actors who want to stay local (Collins).

Because of BDTs long runs, production costs such as set, costumes, and design fees are actually a much smaller financial blip on the company's radar than in many small non-profit theatres, proportionally speaking. It's not something that Duran generally worries about. A much bigger cost that he deals with instead is the very expensive proposition of licensing rights for his productions. Rights arrangements are "Usually a weekly guarantee against a percentage of our box office," which is a standard arrangement for most theatres producing musicals (Duran). Depending on the popularity of the show, rights can easily cost in excess of \$3,000 per week. Musical rights in the US are generally held by only a few small companies, as well, which means Duran is constantly negotiating with the same partners over a very big ticket item. Duran has his own particular likes and dislikes for these groups: "There's Tams-Whitmark, there's MTI, there's Samuel French, There's Rodgers and Hammerstein [...] There is a little wiggle room depending on whom I'm working with [...] Other things I've had trouble with are securing the rights to a show, and thinking I've got the regional premiere." This hit home hard in the 2009 season, when Duran thought he was purchasing exclusive rights to *Anything Goes*, only to discover that Candlelight Dinner Playhouse was opening the same show within his run window in the Ft. Collins area. In response, Duran chose not to program a Tams-Whitmark show this year.

As previously mentioned, the Dinner Theatre only hires non-union employees, with the exception that Duran (himself an Equity actor) has filled in as an actor on two occasions in the past. This is mainly a function of cost and preserving the current business model: "[I] can't afford it; you have to pay health insurance [...] an Equity member can't wait tables." Of his own work as a union member in the space, Duran explains that he made no money as an actor, which

is the only way the company could afford him. “I don’t pay myself a show pay; I pay myself the things I have to pay, like pension and health insurance [...] I had to get special permission from Equity to do that.” On the technical side, Duran prefers to keep his designers hired as in-house staff and on retainer.

Another problem Duran constantly copes with is the talent pool and actors in the Denver-Metro area: “The talent pool in this area is very shallow, and the talented people are always working.” Duran also wrestles with the idea of a core company. There is a contingent of 10 - 12 actors who have been working as an informal acting company at the theatre for decades. Duran can count on these actors to understand the working environment of BDT very quickly, and they have a huge repertoire of experience, but they pose their own problems:

When they started here they were young leading men and ingénues, and now they’re character people [...] Some of them were the lead in the show when they did it ten years ago, they want the lead in the show now, and they can’t do that. They’re a different person now [...] I encourage [actors] to go work other places. You’re here too long, you lose perspective, and it’s good to get new ideas, it’s good to work with other directors, it’s good to find out how other theatres are run, and it’s good perspective.

These actors, and the makeup of actors who audition for him in general, also limit his ability to cast shows with diverse roles: “There are some things I’d like to do; we did *Ragtime* to great critical acclaim and I collaborated with Shadow Theatre Company on that [...] there are ways around it, but *Miss Saigon*, I can’t do *Miss Saigon*, and to find an Asian actor in this town, it’s impossible.”

## **Box Office, Marketing, and Season Selection**

The Dinner Theatre operates on a tiered pricing structure with three different price levels in the auditorium. In addition, the theatre charges more for weekend performances than it does for shows in the middle of the week. Despite peaks over \$50, Duran insists “Our prices are really good, it’s very inexpensive. Tickets range from \$35-53 per seat, and we have so many discounts, it’s rare that people pay \$53 per ticket.” These discounts usually range from 25% to 50% of the listed ticket price, and are used in group sales, friends and family discounts, and in advertising when a show is not filling to the capacity the company would like to see.

Marketing is considered a fairly constant expense for BDT; Duran looks at it as an annual budget category rather than budgeting from show to show. There is a discounted subscription program which attracted approximately 540 subscribers (or about 2 full houses) in 2011. The season is a result of Duran’s leadership, and a relatively new program for the company (less than five years). Before Duran worked at BDT, there was no season planning in order to facilitate an easy extension or cut of a production. Beyond the subscription campaign, which is conducted primarily through direct mailing, the Dinner Theatre uses print media, regular discount RSVP cards to its mailing lists, bus advertising, and the occasional social media ad. The decline of mail and direct mailings as a communication medium has definitely been felt at the theatre, and Duran recognizes that low mailing response needs to be supplemented as a strategy: “Direct mail was a big part of our marketing strategy, and we still do it, but we’re not getting quite the return on it that we had before.” Another major advertising area is in the programs of high school theatre productions and other local theatres. “If people are going there, they’re going there for theatre and they’re our target market.” Duran’s focus on high school theatre was fairly unique in this study, but aligns with the family appeal of many musicals quite well. Advertising can be adjusted weekly based on the success of the show, allowing BDT to lower its marketing

expenses if a show is already near capacity. Duran is lukewarm about the newspaper as an advertising source, particularly when it comes to reviews: “There’s a limited amount of time reviewers have. Try to get John Moore up here, he’s going to forty different productions, and to get him up here even though we’re one of the bigger theatres in the area, it’s hard to get him to come up here [...] There are so few people reading the paper, I wonder if reviews in the paper [...] how much impact it makes anymore.”

The long run of Boulder’s Dinner Theatre can be both a blessing and a curse within Duran’s business model. If a show sells well, like the company’s run of *The Producers* in 2008, then the company can maximize its profits with extra performances of. In contrast, their summer 2011 revival of *CATS* did not fare well, and the company spent much of the summer offering heavy discounts in order to attract patrons. A run like this is concerning, but not detrimental. “Usually a single show [...] will hurt us for sure [...] if we have a good cushion going into it, and a strong thing coming out of it, then we can usually weather a bad show.” In fact, according to Duran only one or two shows a year actually end up making money for the Dinner theatre. This places a lot of importance on Duran’s season selection process, and there is definitely a formula for how he chooses his shows: “There is no guarantee [...] we try to do a riskier show in the fall, a big dance show for the holidays, something smaller but that will appeal to schools in the spring, and a family show in the summer.”

Risk is a relative term for Boulder’s Dinner Theatre. In the fall of 2012, their “risky” show will be *Avenue Q*, an extremely popular musical that won the Tony award for Best Musical in 2004, has spawned two national tours and separate productions in Las Vegas and London’s West End, and has been in near-continuous performances in New York since its premiere (*Avenue Q*). This show does pose a risk to the theatre, however, because its audience is used to family-friendly musical classics written by the likes Rodgers and Hammerstein or Lerner and

Lowe. *Avenue Q*, with its openly gay characters, decidedly adult language and themes, and warnings of “full puppet nudity” in its ad campaign are not what Duran’s audience is used to.

Duran has a particularly broad definition of competition that includes sporting events, good weather, and movies as well as other theatre companies. “We are a leisure dollar, and anytime someone spends money elsewhere, movies even, I consider that as competition for that dollar.”

### **Fundraising and Finances**

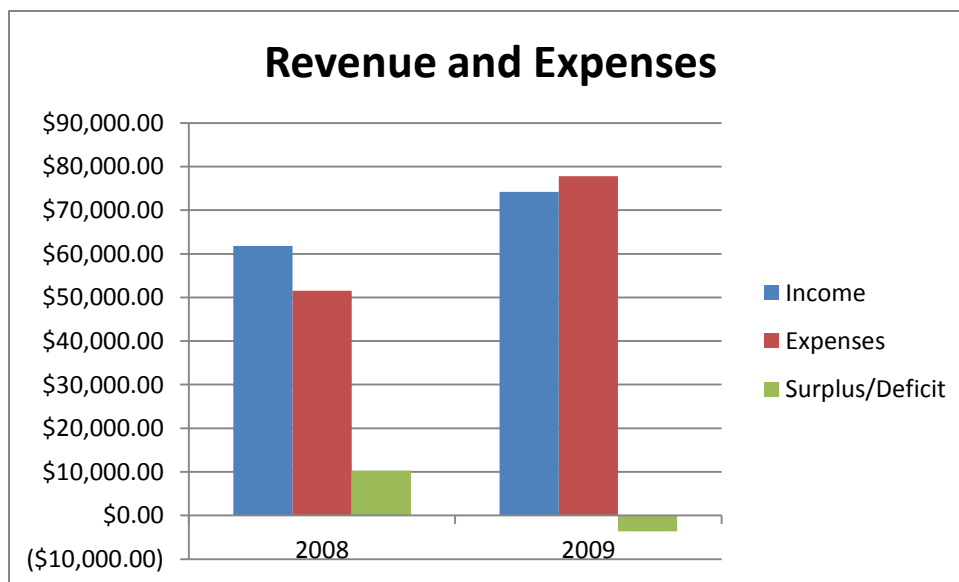
When asked if the theatre company has any long-term savings or reserves, Duran laughs. “We would love to, but we’re a theatre in a horrible economy [...] We do have a line of credit that we can go to, or we go to our owners and see if they can help us through.” This statement, and several others that Duran makes during his interview, suggest exactly how nominal the term “for-profit” can be for a theatre. Without ever directly saying that his investors have provided financial support to the company, he does indicate that “they’ve been very generous to us over the years.” Also, when mentioning that the theatre pays rent to its owners, he adds, “That kind of goes into a fund that we can go to if we have emergencies.” His understanding of whether or not the owners of the theatre make money is equally vague:

If we can make [our investor] some money that would be great, but that’s not why he went into it. He just wanted the theatre to continue, and as long as he doesn’t lose money he’s happy, but yeah he would like to make money [...] I’m not sure what kind of money they’ve made off their investment. I think they did do pretty well [...] I tell him he’s got to keep his doctor job to support his theater habit.

## Long Term Planning and Growth

The Boulder Dinner theatre has operated on essentially the same model (year-round production of musical theatre) since its inception. Overall, Duran is happy with the company's size, scale, and long-term prospects. That doesn't mean he sees no growth opportunity, however: "What I would like to see is for us to continue producing some of the classics [...] but trying to start productions that start here, try them out, and eventually move them to New York." 2011 marked Duran's first foray into play development at BDT when he co-produced the world premiere of *Slow Dance with a Hot Pickup*, a new musical specifically designed for 300-400 seat houses. His choice to premiere a new show in his "risky" fall slot was deliberate: "We knew *Slow Dance* was going to be a hard sell, it's a totally unknown title. We had already built in 25% discounts all over the place." The long-term prospects for the show, though, now that it's had a chance to go through development, are good in Duran's eyes. His hope is that other dinner theatres, as well as regional nonprofit theatres, will be interested in a musical that is tailored to fit a smaller house than Broadway, but larger than a cabaret theatre. As an initial producer on the show, Boulder Dinner Theatre would earn royalties on any future production, which could help give the theatre a long term stream of income if the play takes off. Duran was very happy with the development of *Slow Dance* this fall, and looks forward to trying it again in a year or two: "We can continue to, show after show, just put it up [...] but this is good for further down the road [...] Spaces this size, there are plenty."

## Profile – Boulder Ensemble Theatre Company



### Fast Facts

**Years Existed:** 5

**Annual Season:** 4 productions

**Season Span:** October - May

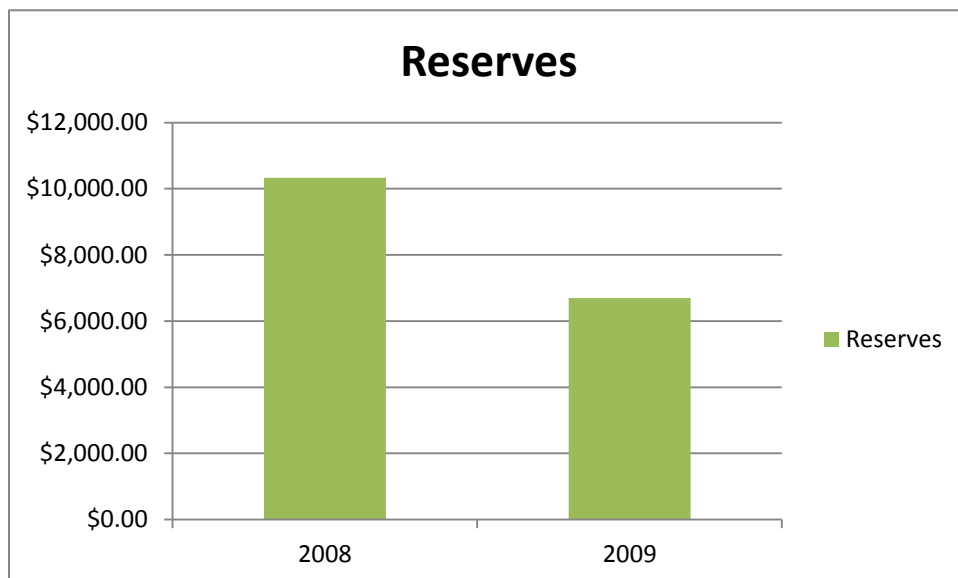
**Venue Size:** Varies, 80 – 100 seats.

**Part-Time Staff:** 4

**Full Time Staff:** 0

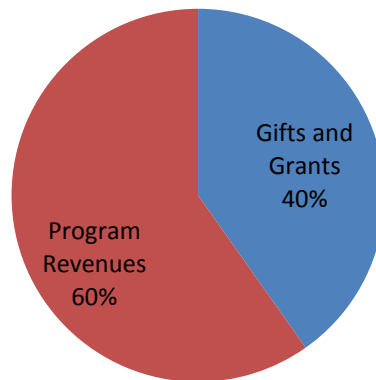
**Approximate Subscribers:** 150

**Ticket Prices:** \$15 – 24

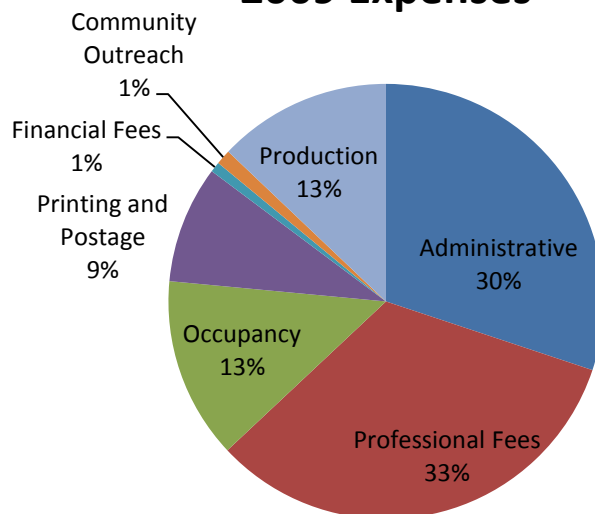




### 2009 Revenue



### 2009 Expenses



*Sources: Survey Results, BETC IRS 990s, Boulder Ensemble Theatre Website.*

## Overview

The Boulder Ensemble Theatre Company (or BETC) was founded shortly after the Nomad Theatre (a community theatre in North Boulder) folded in 2004. Producing Ensemble Director Stephen Weitz says the company saw an opportunity in this closure: “We felt there was a niche in Boulder for a professional quality company that was focused on adult contemporary

[theatre...] it was really with an eye for a dearth of a particular kind of theatre we felt there was a demand for in our community.” This was not the first small theatre company that Weitz and his wife and Managing Director Rebecca Remaly had been involved with, having worked at the Bloomsberg Ensemble Theatre in Pennsylvania together. In addition, Weitz is an established Equity actor with credits at major Shakespeare festivals and regional theatres around the country. Based on their previous experience, artistic quality and treatment of the artistic staff was a major concern. “We set the standard from the beginning to make sure we were paying for everyone involved. We felt if we were going to claim professional quality we had to have professional infrastructure” (Weitz). The commitment to paying their artists first was paramount through the theatre’s early years, to the point where the top two administrative staff (Producing Ensemble Director and Managing Director) were not given paid positions until the company’s fourth season, when the company felt justified that its budget was large enough to accommodate them.

Today, the company has no official offices and a part-time administrative staff consisting of a Producing Ensemble Director, Managing Director, Director of Development and Strategy, and an Education Director (*Boulder Ensemble Theatre*). It performs in residence at the Dairy Center for the Arts in Boulder at 2590 Walnut St., where it has been an official Resident Organization since its second season, alternating performances between an eighty seat proscenium theatre and a hundred seat three-quarters thrust (*The Dairy*, Weitz). The company specializes in contemporary theatre aimed at adult and high school audiences, usually including at least one regional premiere in each season. They produce four plays in a season that spans October to May, including *The Santaland Diaries* every year during the holiday season since 2009. Shows typically run three weekends, running Thursdays through Sundays, for a total of about twelve performances in a run (though *Santaland* has sometimes reached 20 performances in three weeks).

## Production and Structure

According to Weitz, BETC's production budgets are carefully managed, and tend to focus on promotion and quality of product. Artist salaries (usually \$600-\$700 per show for a non-union actor or designer) and venue rental are the most expensive elements of the production costs, with design elements as a smaller cost. Shows are created in a traditional production pattern: producers, designers and the director conduct a series of meetings before and during rehearsals, rehearsal periods last about four weeks, and everything is put together during a three to six day tech period. To minimize venue costs (which can reach almost \$1000 a week), Boulder Ensemble shows typically do not move into The Dairy until a few days before technical rehearsals (Seargent, Weitz). The company typically rehearses at auxiliary buildings in the DCPA performance complex or at a local church in Boulder, depending on availability and the location of its cast members.

Conservative budgeting is a primary strategy for Weitz when evaluating a production. "You have to budget to the average [...] I know a lot of theatres get in trouble by going "this show's gonna be a hit!" Budgeting for it to be a hit, and when it's not your failure is compounded by the fact that you over-expected. *Santaland Diaries*, we knew it was going to be a hit last year, but we budgeted it for an average show." Attendance figures are often downplayed when projecting a show's revenues. This represents another major strategy of BETC: limiting risk. "You can't put yourself in the position where one bad show kills you" (Weitz). An excellent example of this was the company's production of *Doubt* in the fall of 2010. The company believed the show would be popular because it won several awards (including a Pulitzer) and had name recognition from a well-received movie version featuring Meryl Streep and Phillip Seymour Hoffman, but it was budgeted as a standard show nonetheless.

When it produced disappointing attendance numbers it lost money, but because the budget had assumed modest attendance figures, the loss was absorbable rather than a disaster. On the flip side, conservative budgeting can pay off. When a modestly-budgeted production of *Mauritius* in 2011 drew larger audiences than an expected 50%, the production ended with a significant surplus. “I’d much rather finish the season with that surplus or be able to readjust during the year,” says Weitz. “Forecasting is a bad policy as opposed to playing the numbers.”

The company uses mostly non-union artists for its productions, but since its fourth season has begun including a few Equity Guest Artist contracts in its season budgets: “The context we operate on is mostly a budget issue [...] there’s a certain base salary, and because of the unique guidelines it has to be paid through a payroll service” (Weitz). These performers are approximately three to four times more expensive than a non-union actor, but also give the company flexibility in casting difficult or important roles. There is a core ensemble of eight actors and designers within the company, and while these artists tend to work with the company regularly there are no requirements to use them in a particular show or season (*Boulder Ensemble Theatre*). The Ensemble is described as a “work in progress” by Weitz, and it has changed in form substantially since the company first defined the ensemble:

One of the things that we learned is that in a market where there are so many options, it’s hard to get [artists] to commit to a place [...] Our original conception of the ensemble was that it was going to be a group of people who were also the people who ran the organization [...] but what we found out was that when you start an organization with a group of people who are committed to that and you pick the people involved based on what you can do, that’s one thing. When you’re an existing organization and you’re trying to bring people in, you run into the issue of that person has an administrative

function that I want but that person is not someone I want to run out on stage over and over again. Or vice versa.

### **Box Office, Marketing, and Season Selection**

BETC's ticket prices are from \$24 general admission with student and senior discounts for most shows, as well as \$15 across the board on Thursday evenings. Weitz feels this is about the most they can charge given the production values that his company and The Dairy's facilities can provide. His philosophy on pricing is, "You're tracking demand [...] I do think for this market we are approaching that ceiling until we can become a larger, more robust organization." Weitz believes that money exists in Boulder for a higher price point, but "I'd much rather start by developing a larger audience." BETC's market is definitely rooted in Boulder County, and Weitz sees it staying that way for some time. "A lot of people go down the hill to Denver, but a lot fewer come up." He jokes, tellingly, that while it's a thirty minute drive from Boulder to Denver, it actually takes much longer to get from Denver to Boulder if you ask his Denver friends.

BETC also has a season subscription package (which can optionally add on *Santaland* tickets early), which it began offering in its fourth season. Although their total number of subscribers is small (about 150 in the 2010-2011 season) compared to their house capacity, it has increased about 50% in the last year (Weitz). The company hopes for another 50% increase in the 2011-2012 season, and appears to be reaching its target. Subscriptions are an important revenue element for BETC because they provide up-front money. The cushion of subscription revenue helps greatly with initial season expenses as well as cash flow issues throughout the season. Marketing for individual productions is taken as a show-by-show expense, and generally

involves a campaign of Internet and social media advertising, posters, and press releases. Most BETC shows are also reviewed after their opening weekend by at least one major newspaper.

Weitz describes BETC's season planning system as a very selective process aimed at predicting demand. Whether or not to add more shows in a season is a question every year, and always runs into the question of audience development: "We've been growing at a very steady and impressive rate, but until we get over a certain cusp of 'we know we can get this many people to come see every production,' we can't add additional programming because there's not a demonstrated need for it." To Weitz, demonstrated need translates to more full houses at his existing season of four shows. He also adds, "Frankly adding another show loses money [...]. Adding a production doesn't necessarily gain you revenue from other sources, so it's not necessarily a cost-effective strategy [for growth]."

In selecting particular shows, a number of factors become important. BETC typically cannot support casts larger than five, and there are many plays with technical requirements that are impossible within the constraints of using The Dairy. "Boulder's a tricky little market," Weitz notes, "it's a fragmented community so you're trying to carve out small niches within a relatively small community. And for a small community it has a tremendous number of cultural options, so it's self-cannibalizing in that way." One of the ways BETC capitalizes on Boulder's fragmentation is through show selection: "We frequently do that if a show has what we consider a niche audience." In the past, this has included shows such as *Copenhagen*, a play capable of catering to a heavily science-minded community, and *Mauritius*, a show with several philatelist characters centering on the value of two rare stamps. Both of these shows were welcomed by large audiences, and Weitz attributes that to their niche appeal. He also sees niche appeal as an effective method of "inreaching" new audience members for BETC:

It's something we take into consideration when we do artistic selection, saying 'I think this show gets an additional vote of confidence because it has that tie-in' [...] we try and tap into all those different little markets for people who aren't regular BETC theatregoers or theatregoers at all, and I think this is your single sale market as opposed to your subscriber or base audience [...] if you convert a handful of those into your core audience that's audience development.

BETC also had great success in 2011 with its first educational show, a 3-actor adaptation of Dostoyevsky's Crime and Punishment. The company was able to bring over 1,000 high school students into educational matinees (Weitz). While Weitz sees education as a growth area for the company, it is important to him that the show has adult audience appeal first; apart from the student matinees *Crime and Punishment* was slotted for a full run with BETC's regular audience. This ties in again with Weitz's conservative budgeting strategies, as the educational matinees provided a new revenue stream to the company with relatively few additional expenses.

Dates are also a major issue for BETC. Because they are only one of a number of resident organizations who use the space at The Dairy, they have to submit an annual request for the spaces they would like to use and the dates they would like to use them. Their requests are considered along with all of the other resident organizations and The Dairy comes up with a final schedule. Dates are always slightly different as a result, and a matter of concern to Weitz: "One of the things we did this year was push our opening slot deeper into the fall to try and get out of the summer weather; just as an effort to get people off the trails and out of the mountains."

## **Fundraising and Finances**

BETC has attempted fundraising events in the past, but Weitz doesn't find them to be worth the trouble it often takes to put one together. "It doesn't matter how much you make, it matters how much you spend, in effort and in money [...] If it builds that sense of community in your base, that's an intangible [...] but when you have limited resources, spending them on an event that's not your core business mission, it becomes a distraction." The major issue here, and with other fundraising and development efforts, is likely that BETC's existing staff is stretched very far as it is, particularly during production periods: "There are a lot of good ideas for where we would like to go or things we would like to explore, but once you get into tech week all of that kind of goes right out the window."

Unearned income is a major portion of Boulder Ensemble's budget (65% of their 2009-2010 budget, although Weitz suggests the ratio for 2010-2011 season is closer to 50-50 earned-to-unearned). SCFD is the largest chunk of this income, accounting for 50% or more of BETC's total granting pool in 2009-2010. This curve is changing since BETC hired a Development and Strategy director in 2010. "Our unearned income curve has increased dramatically [this season...] so we could see a market increase in our revenue that will enable us to say 'We could have covered the deficit for another production'" (Weitz). Weitz is extremely happy to have a development director, often referring to the creation of the position as "the best decision we ever made."

As mentioned before, BETC uses a season subscription program to manage cash flow at the beginning of each season. In addition, the company has a PayPal account that it uses as a cash reservoir from online income (earned and unearned) as a savings account that is separate from immediate expenses (Weitz). In addition to prophylactic loss prevention through conservative initial budgeting, BETC also actively adjusts its budget where possible throughout



the year to account for differences in production expectations. “Because we don’t have the ability to sock away the money to protect ourselves, what you have to do is be flexible enough to react to it accordingly [...] to be able to tweak the budget for the rest of the year.” All of these strategies together create a robust set of loss protections.

### **Long Term Planning and Growth**

BETC’s caution in its budgeting and planning has kept the organization solvent for six years, and Weitz acknowledges that leads to some stunting of the company’s growth potential. “We’ve been a very slow-but-steady growth model; we don’t do things until we can pay for them. I think a lot of theatres get themselves in trouble [...] we’ve been very conscious about trying not to expose ourselves to that risk so that if there’s a failure it’s a small failure.” Many of BETC’s previous growth decisions have been calculated to coincide with a growth in unearned income. Notably, the company did not expand from three to four shows in a season until it had met the eligibility requirements to receive SCFD funding. Weitz is determined to find new revenue sources and to build demand rather than to simply program shows: “It’s literally an equation that with the exception of our holiday show, if you just break out the direct expenses of a production and its ticket revenue, every production loses money. Which is, I think, not uncommon. It’s why theatres have to make up the difference through granting and individual donations.” Eventually, he would like to see some positions at BETC translate to more than part-time jobs, but acknowledges “In order to take the leap to becoming a full-time, staffed, salaried theatre, we need to ramp up the growth curve, because at our current rate of growth it would take another 10-15 years.”

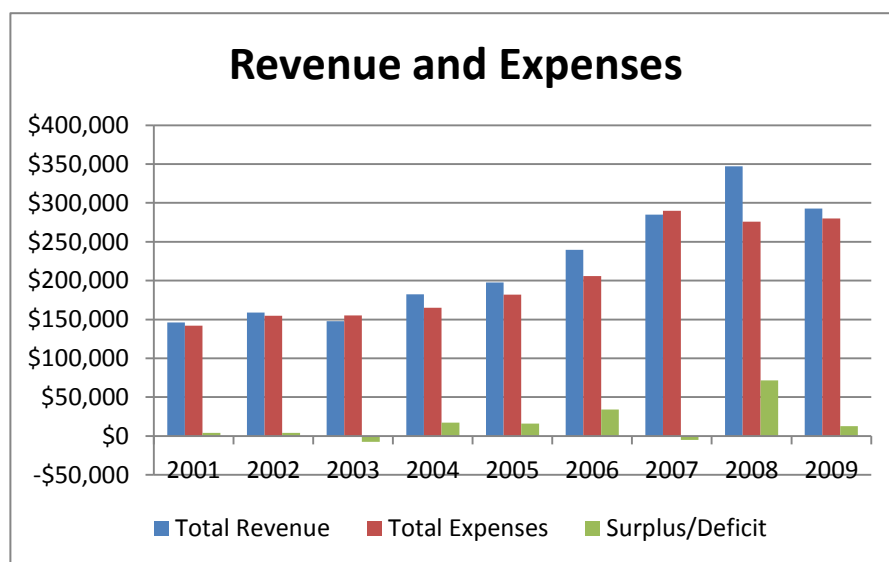
The Dairy is also a sticking point for BETC’s growth. Weitz is complimentary, but measured when discussing it: “They have been very supportive and it’s been a good incubator

for us [...] You do get to a point where it becomes a mixed blessing in that you get a lot of institutional things taken care of [...] but you do lose some things. We don't have control over our box office, concessions [...] there's a time when you go, 'Hey, I'd like to have concessions revenue now.'” Beyond the fact that the smaller house sizes of the Dairy limit the maximum potential audience for each show, there are technical limitations that can affect the scale of productions. The Dairy also has very little quality control; anyone can rent the space if they have the money to do so. The lack of consistent quality is something that Weitz cites as a reason ticket prices have not increased. He frames the problem as one of business identity:

I think that it's a limiting factor in the sense of the experience the audience is having. When you're trying to raise your profile and get people to take you seriously you want them to have a professional experience when they go to the theatre. The technical limitations of the spaces limit our ability to be as creative as we would like [...] and then the big issue is one of branding: when you work in a facility that houses many different organizations it's hard to differentiate yourself from the parent organization. We all become a blur of groups and we don't have our own identity.

Concerns like this make the idea of obtaining a permanent space for the company a very attractive proposition. Like everything else about BETC's business plan, though, the search for a building is a slow and cautious one. The company has formed an exploratory committee with its board of directors to find a space, but they are still looking for demand and income growth in the company before they move toward any sort of official plan.

## Profile – Buntport Theater



### Fast Facts

**Years Existed:** 10

**Annual Season:** 3-5 productions, monthly open house, and biweekly children's program.

**Season Span:** September - June

**Venue Size:** Flexible space, 80 – 130 seats.

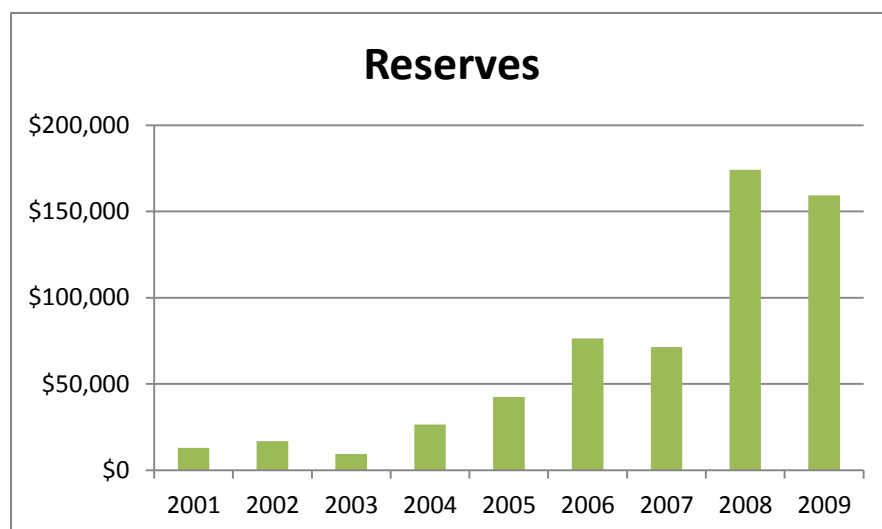
**Part-Time Staff:** 2  
Education Team Members

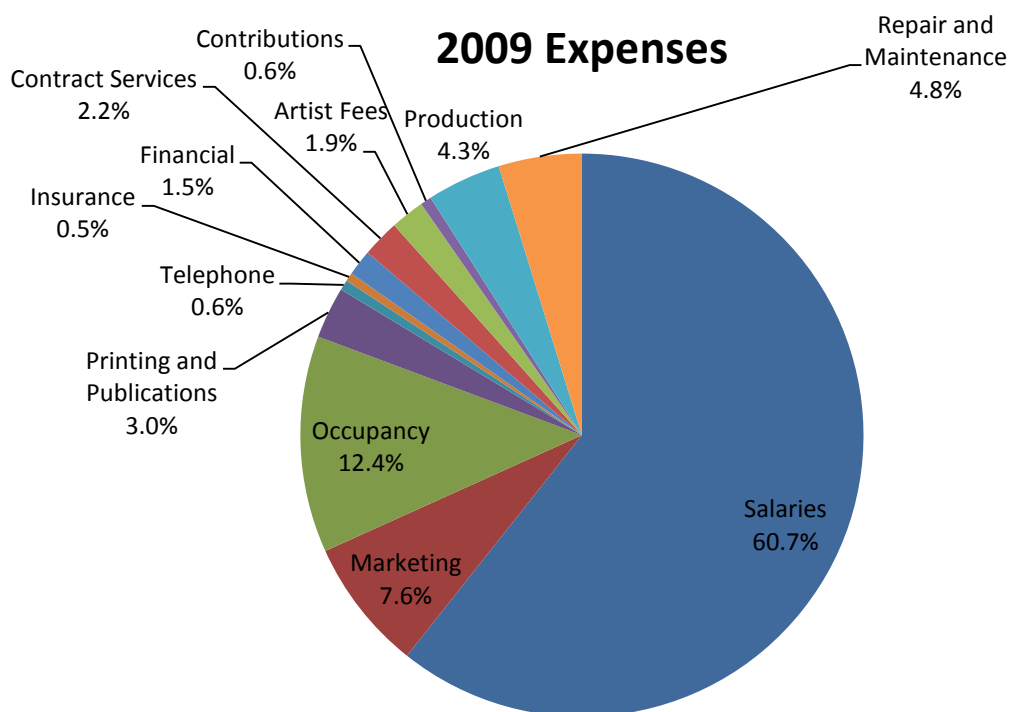
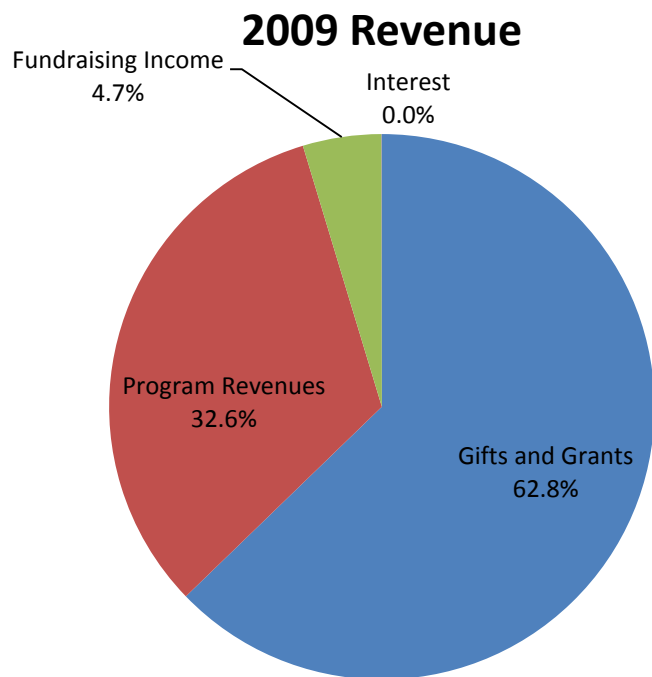
**Full Time Staff:** 6  
Company Members

**Approximate**

**Subscribers:** 100

**Ticket Prices:** \$13-16 for productions, \$6-7 for children's program.





Sources: IRS 990s, Buntport Website.

## Overview

Now in their eleventh season, Buntport Theatre has one of the most unique business models of any theatre company in the area. The core of the company composed of six full-time staff members, all graduates of Colorado College, who work together as a collective. These six individuals run the company administratively, create three to four original shows a year, build the shows, and perform in those shows (two part-time education staff run a bi-weekly educational show, but do not work with the core company). There is no functional distinction between these six members except that one, Samantha Schmitz, tends to run the front of house and technical elements during performances. This does not mean, however, that she is the only designer or technician in the group. Schmitz describes the company's work as decentralized and consensus-based: "It's not one person saying, 'This is how it's going to work.' It's six people saying: 'Well, what if it worked this way?'" All of the six members have an equal say in each show's process, script, design, and performance, and when in-season the group manages to create an original show from scratch every three to four months. The company is well-known in Denver for its inventiveness (particularly for the integration of design and performance) and its quirky subject matter, though the company produces comedies, dramas, and musicals. They have also received accolades from other theatre companies, and are known for collaborating with other theatre groups. Notable collaborations include a biographical play about Eugene O'Neill running concurrently with Paragon's *Long Day's Journey into Night* and a new play commission from the Denver Center Theatre Company (Schmitz).

Buntport is housed in half of a warehouse space on 7<sup>th</sup> and Lipan in Denver, which they have rented almost since they formed in 2001. Acquiring a permanent space was one of the important decisions the company made. "We were going to try and be a touring company, and then we realized the way we work, the way we make things, it's too hard. We needed a space to

be able to experiment.” Schmitz also notes that their transition into making Buntport a full-time occupation was also a major milestone: “That was three, almost four years ago now. There was a seventh member of Buntport, and he decided he didn’t want to do theatre anymore, so he quit, which freed up a chunk of money [...] at that moment we were able to quit our other jobs and devote an absurd amount of time to Buntport [...] and it changes everything.”

### **Production and Structure**

No single member of Buntport determines what a given production will be about. Instead, their process begins with pitch meetings where the company members bring basic ideas the group can discuss, expand upon, combine, or throw out. The company members are allowed to bring up ideas from previous pitch sessions or shows that have been shelved in the past, but there’s no guarantee a revisited idea will be any more palatable. These ideas can be based on a particular story, a historical event, or even an idea for a set. The ideas will be worked on as a group, and the company members will meet and work for a full day no matter where they are in the process. The production is constantly mutable and evolving; any company member is able to make suggestions or requests about a show at any time. The season, likewise, is mutable as a whole. “There isn’t really a time in the beginning of the year where we say ‘These are the four shows we’re going to do’” (Schmitz). Most of the time, the collective begins their work on a production in earnest about twelve weeks before its first scheduled performance. Technical elements are added over the course of developing the show as the group feels it is time to rehearse with them.

Buntport’s practices clearly reflect their interest in equal investment for all of the company members. There are no directors established for a show, just as there is no official delineation between theatrical and administrative work for the company members. This can lead

to labor inequalities from show to show, and at different times within a given production. To help cope with this, the company has developed a strong group mentality, and tends to put the show before any of their individual concerns. Schmitz puts it this way:

It's worth noting that we are all paid the same. It's a hard thing to wrap your head around even when you're in the moment. It's obvious that at any given time that there's always going to be someone doing more work than you and someone doing less work than you. And you just have to be ok with yourself [...] it's a mental game you have to play, but it also leads to a situation in which everyone cares so much for the product.

The biggest single expense for Buntport (after salaries) is the year-round rental of their warehouse performance space, an expense of approximately \$26,000 a year. Schmitz insists that this expense is one of the most important parts of Buntport's unique theatrical process. Because the process is organic, the set is being built and evolving throughout the rehearsal process. Schmitz says that sometimes the set becomes a character in itself. The only reason the company can function this way is because it has a dedicated rehearsal and performance space; it would be completely infeasible to set up and take down a set in a temporary rehearsal space every day. This allows a show to be in a constant state of technical development as well; it's feasible, for example, to hang lights over a half-conceived set when the room is constantly open to revision. The warehouse has storage space which provides a useful historical library of properties, costumes, and set elements that the company can experiment with as they develop a piece. Because the actors are paid through their salaries, the rest of Buntport's production budgets tend to be very small, usually no more than \$2,000 for all technical elements (Schmitz). The company also has a seasonal discretionary fund that Schmitz refers to as money they can use "if

we want to go crazy.” This money has been used to hire additional guest artists, pay for extensive music composition, make puppets, and acquire other items that would normally exceed their production budgets.

In addition to its core programming of three to four original shows per season, Buntport has two smaller recurring productions. One is what their website terms “Off-Night” programming. These performances happen on the third Tuesday evening of every month (though they have been more frequent in the past) and have included: open mic nights; debates on inane topics by people and actors who are intentionally under-informed; revivals of popular shorts, songs, and scenes from previous productions; the members of Buntport in a mock battle against another artistic organization; even movie nights (*Buntport Theater*). All of these programs feature largely improvisational structures and an effort by Buntport to reach beyond their company of six. They also tend to foster a feeling of community by inviting audience participation. The other recurring production is a bi-weekly “live action comic book” called *tRUNKs*. Again, *tRUNKs* is a scripted improvisational show where the Buntport’s education staff and guest stars (often from the core company, but not always) tell the serial story of a superhero adventure team. The episodes are influenced by children’s literature suggested by their audience. A third type of programming, a “live action sitcom” serial featuring the core company, was also a fixture in Buntport’s repertory in its early seasons, but has been discontinued.

### **Box Office, Marketing, and Season Selection**

Buntport champions the idea of affordability in its ticket price. The most expensive ticket is \$20 on opening and closing nights, and tickets are generally only \$16 for evenings and weekends (*Buntport Theater*). The company charges even less for its off-night programming and



children's show *tRUNKs*, pricing tickets between \$6-10. This is important for the company not just as a way to ensure a broad audience base. Because of their flexible off-night programming (and especially their earlier biweekly sitcoms), Buntport has a vested interest in trying to bring the same core audience back as often as possible. "We have an audience/family kind of situation [...] I'm always [at the box office]. So there are people I saw twice a month for five years, and I know them [...] When the SCFD asks us to do demographic breakdowns, I say 'I can tell you everybody who comes to the theatre, I don't need to do a survey. I know them.' It makes people feel like they know us, too'" (Schmitz).

The perceived "family" connection between Buntport and its audience is a very important part of their overall marketing strategy, and also a solution to their largest marketing problem. Because it almost always produces original work (the only exceptions being remounts of its own plays), Buntport is effectively attempting to sell a new product to its audience every time it produces a show. Theatre companies often struggle with finding a way to market the unknown quantity of a new play. Buntport's unique production methods complicate this problem further. Because their process is constantly mutable, it's often difficult to tell the genre of a given production as late as six weeks before the event! This was evident in their recent biography of Mary Shelley, *My Hideous Progeny*: "We decided to do Frankenstein during October. It is not at all a Frankenstein show. What they're seeing isn't Frankenstein, it's Mary Shelly's life [...] it changed over our process from a funny thing to not at all a funny thing" (Schmitz). Given the lead time even a small marketing campaign can need for printing, market saturation, and simply getting the word out, selling a constantly changing show can be a daunting task.

The solution that Buntport has landed on for this dilemma is making their core company the primary product. "It's unique for us because it's always the same actors. Every show has some combination of the same five people," says Schmitz. "It's part of our branding that

Buntport is our faces.” The brand identity the company has created is obviously strong: they are able to sell approximately 100 subscriptions annually by listing a season of four untitled shows “TBA;” this extends to 275 subscriptions when including subscriptions to their secondary programming, which is also unannounced. Their core community also makes up their regular “Off-night” attendees, and they built a strong following that has translated into regular customers with their bi-weekly live sitcoms (Schmitz). The loyalty is something Schmitz clearly appreciates: “We’re very lucky to have an audience that just shows up.”

Buntport’s marketing schemes are small, a standard package of mailing list hits, post cards, email lists, social media, and calendar listings. Schmitz is dubious about a larger campaign. “We’ve been successful for ten years without [a large marketing campaign] and we don’t trust it.” She also wonders about the effectiveness of small-scale advertising and suggests that it may not be useful without a much larger investment than the company can afford:

I don’t think people look at ads [...] to get an effective ad campaign going, you have to saturate in a way that we don’t have the money to do. Our line item for advertising isn’t \$25,000, it’s \$5,000, which means for every given show you can’t [saturate]. People say someone has to see your show five times before they recognize it. And we already have a weird name that people can’t say, can’t spell. What we’re trying right now is NPR because last year when we had a story on *Colorado Matters* a lot of people commented and told us that they heard about it. And that seems like something tangible to us.

Another method of marketing the company uses is coming up with a recognizable concept, person, or source material reference in their title. “One of the problems with doing new works is getting people to recognize the title at all. If you can in any scenario put in what the original

work is, like *Moby Dick: Unread* and *Kafka on Ice* they're recognizable things that people can attach to and think they know what it's going to be. In a lot of cases we try to bring in the idea of the original work" (Schmitz). Attempting to associate their new production with something else has been a successful strategy for Buntport, both in increasing a title's name recognition and being able to tap markets. According to Schmitz, the shows tend to be more popular if there is a clear literary tie-in. There are a couple of other rules as well, including that comedies tend to sell better: "If we do a musical it will make more money than a depressing show about Mary Shelley."

One of the most interesting aspects of Buntport's model is consistent overhead. All of its company members are salaried for a combination of administrative and artistic work, making rent and salaries more predictable than at a company where artists are hired on a show-by-show basis. Schmitz sees it as simple math, "We're paying rent all the time. If we do an extra weekend of a show, we're making money because I'm not paying actors more than I was, I'm not paying [more] rent. Our base level of costs is [...] no matter what we're doing, we're spending about \$23,000 a month." To her and to the rest of Buntport, this was the impetus to create their secondary and educational programming (a new revenue stream with little additional overhead). Because salaries are constant and Buntport controls its own production schedule, there is virtually no cost (only utilities) to extend a popular show's run or have its employees perform on an otherwise dark night. This flexibility gives them considerable control over their gross revenue. "Once we had our own space, we tried to make it as vital as possible all the time. So we were doing sitcom programming, now *Third Tuesdays*, and a live comic book for kids [...] so that's there's a one-off time [almost] anywhere." To protect their brand identity, they try to avoid leasing the space to other programs. "For the first few years to supplement our income we had to rent our space to other theatres, and not always the product we would have liked. It's

the problem with naming your theatre the same thing as your theatre company. People assume that it's Buntport doing a late-night sex comedy and it's so not [...] and it's another branding issue."

Schmitz has an interesting view of competition: "I think there might be competition for donors; I don't think there's competition for audience. I don't think there's ever a scenario where people would not see theatre if they saw another piece of theatre." To her, the problem is one of price point and awareness, and she sees the issue as one for the larger community, not just Buntport itself. "There are 52 weekends in a year. Even if you [go to the DCPA] for every show, you still have plenty of time to see every other show in town. And if it could be affordable in a way that you could, I think that people would." This also helps explain Buntport's use of collaboration and concurrent productions (such as *The World is Mine* with Paragon's *Long Day's Journey*) to support other local theatre companies.

## **Fundraising and Finances**

Like several other theatres, Schmitz cites conservative budgeting as a major reason the company remains solvent: "We're kind of crazy people about how much money we're going to make and how much we're going to spend [...] we're super-conservative." She also suggests that if the company has a significant financial crisis, they know several larger donors who would be willing to assist them. In fact, major donors have played a large part in Buntport's beginnings and financial stability. An anonymous donor is cited as the reason the company was able to subsist in its first three years and pay all of its company members a half-time salary. The same donor also recently purchased a house across the street from their warehouse space, which is now leased to Buntport for a dollar a year as storage and administrative space. Though the company is solvent on its own now, and has reserves over \$100,000, it's clear that this initial donor was a

major factor in the company's early sustainability. Despite the presence of a major donors Schmitz says that Buntport also has a broad base of smaller donor support, and believes this is one reason the company did not hurt much during the financial crisis: "I was in a bunch of meetings with the heads of larger SCFD organizations [...] and all of these people saying, 'We've lost a \$10 million donor...' that hasn't affected us at all. If you lose one hundred dollar donor, it doesn't really affect you."

The company does participate in small fundraisers such as wine tastings or auctions with donated art, but they avoid larger fundraising events. They see these events as a chance to get a more money from their average patron, rather than large money from an angel donor. Schmitz is cool on the idea of an annual gala or other fundraiser as well: "I don't think we have an audience for a gala. People pay \$16 to come see our shows." Instead they focus on small events they can create with very little effort, or on keeping existing costs low.

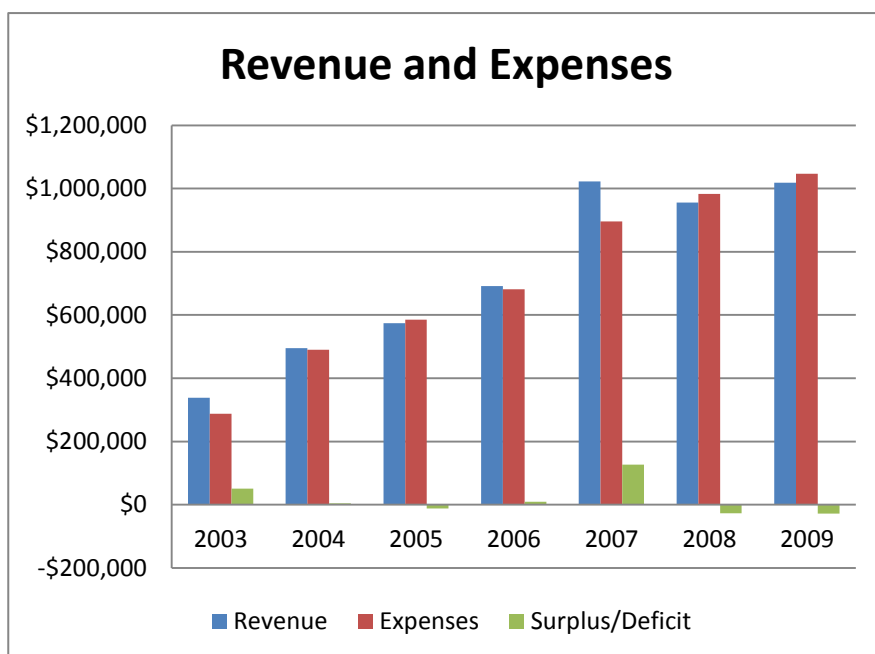
### **Long Term Planning and Growth**

One priority for Buntport is to own their space, so they can have more control over production. This poses a problem in their current space, and has led to tough financial decisions: "We would love to own our space but our landlord isn't willing to sell it to us. We've had a couple of emergencies [...] we didn't have the proper HVAC system, so we had to spend \$45,000 remanding a space that we don't own, and that's hard" (Schmitz). Owning their building would allow the company to expand the size of their performance space, utilize the second half of the warehouse for storage and meeting space, and allow the company to justify spending money on new technical infrastructure. That said, the company wants to keep its space small and intimate, and feels as if it is "about the right size" for the kind of work that they do best. Schmitz is particularly adamant that she does not see the company trying to engage in fast

growth, citing Curious Theatre's growth over the past few years as an example. "I can't even comprehend how you would do that," she muses, especially when keeping in mind Buntport's mission of affordability and desire to create its own product.

The other possible change to the company is adding staff, or changing the makeup of the current ensemble. This is an idea that comes up regularly between the core company members, but they have rarely found a need to add more individuals to their base. Their first experiment with adding staff, the inclusion of two members of the education team on salary, is still a work in process, Schmitz admits, "They're not necessarily making their salaries with what they're doing yet." The hope is that a regular education staff will eventually pay for itself. There are similar concerns in hiring someone with marketing experience, "But there's also the mindset where if we add a person [...] is there enough work for that person to do?" The one area where Buntport will certainly not grow is in its core ensemble. "It would be hard for [another company member] to come in at this point because we have been the same six people for ten years [...] our relationships are kind of ugly and brutal, but also we just know each other and have a common language that would be hard for someone else to come into."

## Profile – Curious Theatre Company



### Fast Facts

**Years Existed:** 14

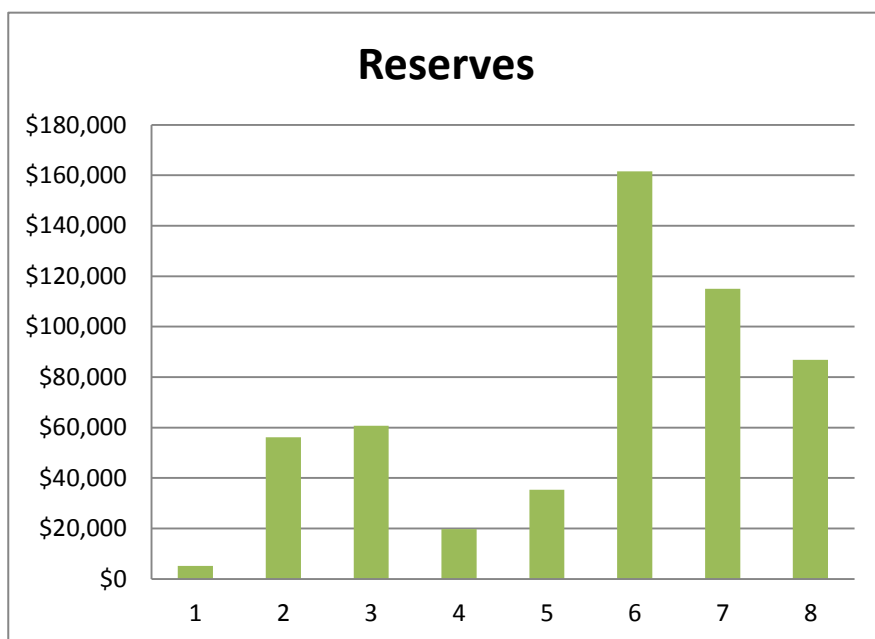
**Annual Season:** 5  
productions

**Season Span:** Year-  
Round

**Venue Size:** 179 seats.

**Part-Time Staff:** 5

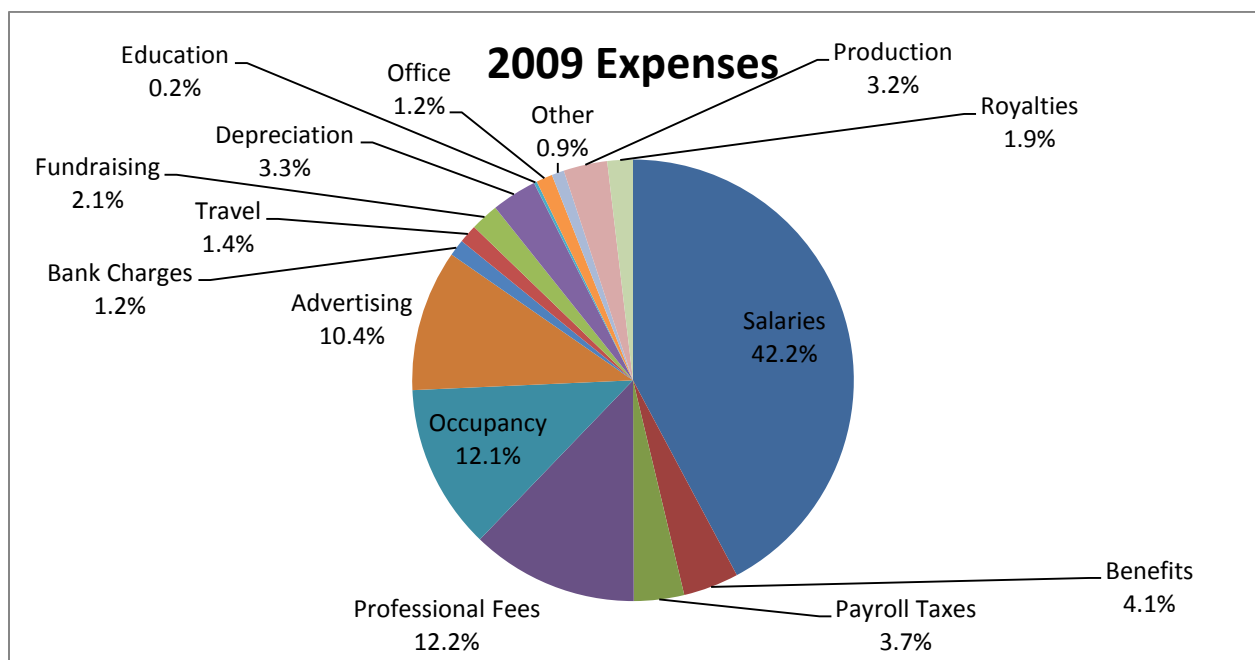
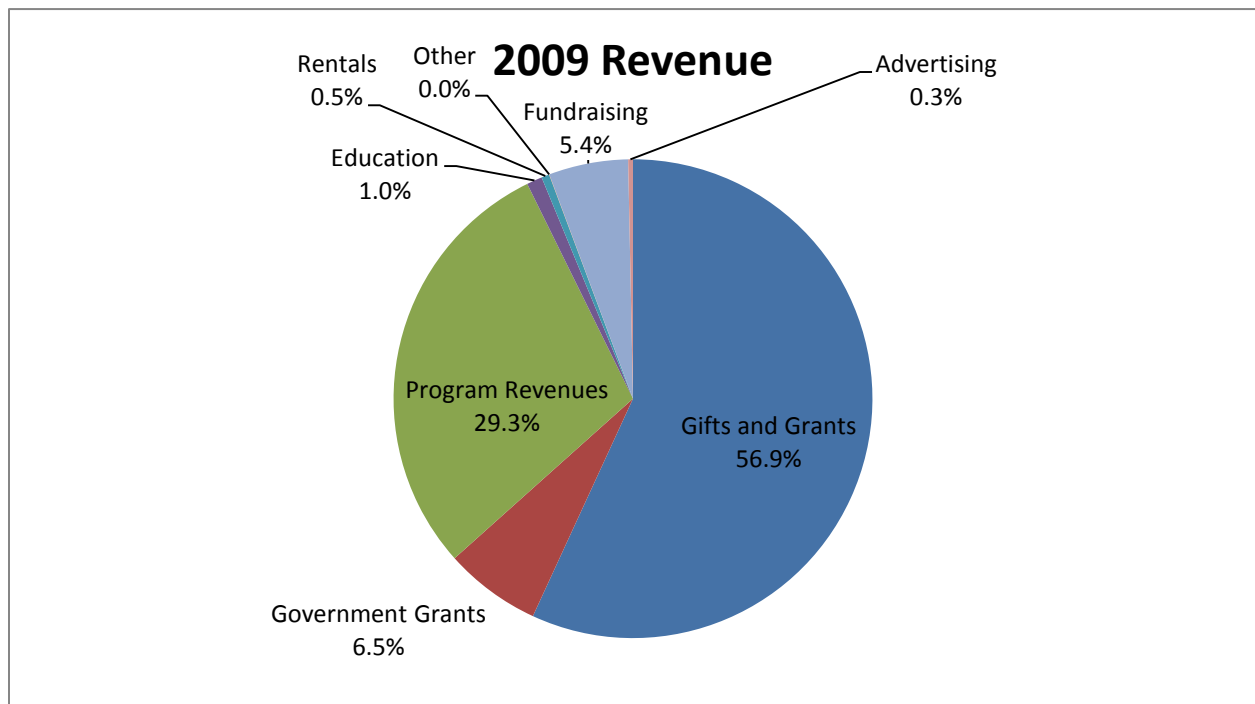
**Full Time Staff:** 7



**Approximate**

**Subscribers:** 1100

**Ticket Prices:** \$18-42



## Overview

One of the largest nonprofits in SCFD Tier III, Curious has existed in the Denver Metro area for fourteen seasons. Over that time it has grown to become a cultural fixture in the area, and is one of the city's best-known companies on a national scale. The company was founded in 1997 by seven theatre artists (six designer/directors and one actor) after a production of Tony



Kushner's *Angels in America* (Roselle). From the beginning, they wanted to focus on supporting local artists in Colorado, and to create professional theatre. In order to do this, they felt union involvement was a necessary step as soon as possible. According to Associate Artistic Director Kate Roselle, "We did some things perhaps backwards. Rather than trying to build up to be an Equity house we went ahead and talked to Actors' Equity from the beginning. So our commitment was to making good art and to making it on a professional level." Over the next fourteen years, the company steadily built itself into a company known for its interest in contemporary theatre, and particularly in developing new works. The company fostered a number of new plays, became a part of the National New Play Network, and also created a unique education program focusing on the development of young adult playwrights (Roselle). At the same time, Curious gradually added administrative staff.

The company has always called the Acoma Center for the Arts, on 1080 Acoma Street, its home. Originally the space was occupied by many organizations, but as Artistic Director Chip Walton explains, "We became the theatre in residence at [the Acoma Center] and slowly but surely wormed our way in here [...] the facility was run by a 501(c)3 and we received an invitation to merge. At that point we were a for-profit organization, an S-Corp, and we merged with them." Changing focus from a for-profit to a not-for-profit theatre company also started Curious along the path of identifying themselves through a mission statement, the start of a process of definition that still drives the company today. More recently, the mission statement and structure of the company have become the subject of an "Aha: think it, do it!" grant from Theatre Communications Group (Roselle). The grant, intended to allow the theatre to study the meaning of having a "company," has led the Curious to reorient itself around its artistic company members and try to inject them more actively into the day-to-day operations of the theatre. "The

work is about company and a sustainable company model, but it's really caused everyone at Curious to take a close look at its history."

Curious purchased the Acoma Center in 2008, in order to justify major renovations to the space for technical purposes, and continues to produce a season of five to six shows a year. Roselle emphasizes its importance: "This space at 1080 Acoma is sort of integral to our culture in a lot of ways [...] it has limitations, it's a hundred and fifty year old building, so there are climate control issues [...] but the stained glass windows are on our logo, they're on every piece of material we send out [...] I think there's a sense that we're not going anywhere."

## **Production and Structure**

Curious produces shows in a familiar seasonal Equity house format. While one show is performing in the company's 179-seat theatre, rehearsals are usually underway in the rehearsal space in the back of the Acoma Center (Walton). Curious is under a Tier III special contract with Equity (not to be confused with Tier III in SCFD) and must use at least two Equity contracts in every production (Roselle). Walton sees the company's commitment to hiring union professionals as a major distinction between Curious and other theatre companies, and is disappointed that, with the exception of the Aurora Fox, few theatres in the Denver-Metro area have pursued new Equity contracts since Curious' inception. His argument is that "We all afford what we choose to afford [...] it's all about priorities."

Production budgets differ substantially from show to show depending on technical needs, but personnel are always the largest expense. In the past, productions were overseen by a traditional production manager, but one of the results of the new grant has been a significant change: now two company members act as artist-administrators and leapfrog from show to show. "Having one person who had an umbrella view of the entire season left us going project to

project,” Roselle says, suggesting that the practice led to an unintentional shortsightedness on the part of the company. “Now with one person looking at one project, the other person can be looking at the next project.” This choice to split the production management role offers Curious the opportunity to ensure each show has a central administrative focus.

Curious prides itself on having a strong, clear mission, defined on its website as “to engage the community in important contemporary issues through provocative modern theatre.” Walton tries to keep this in mind (and remind others to do the same) whenever working:

I don’t know any theatre company in the country that says ‘Our mission is to make the most money that we possibly can out of our programming,’ but it’s implicit or it’s because of the absence of the commitment to an articulated or a clear mission. That is sort of the default position [...] when we make almost any decision about this company, those decisions are rooted in who we are, what our mission is, and what our core values are.

Walton cites the production of *Nickeled and Dimed* as a major turning point in the company’s ideas about production. This play, based on the book of the same name and mounted in the company’s sixth season, helped raise both the community and the company’s level of awareness about a particular social issue: the compounded problems of working a low-wage job. To Walton, this show helped the company realize that it was interested in doing more than simply producing quality plays, and helped the company actually engage with the mission statement they had created for themselves.

Walton also has a very strong opinion about the nature of theatre as a tool for conversation. It’s another part of Curious he tries to embody within each production:

I do not think any of us at Curious think theatre is just entertainment, and that is the most direct daily practice that grows out of our mission and core values. It should make a difference in our world, and not just be a an escape [...] I don't want our theatre experience to end when people exit out of the front doors after the show, and if does we haven't done our job well.

One of the ways the company tries to engage its community is by preparing its staff for regular dialogue with the audience. After almost every performance of a show, there is an audience talkback. Curious makes a special effort to select shows that will foster conversations, and to train talkback facilitators (Roselle). As a result, their audience tends to be more responsive and to avoid the obvious questions at talkbacks. "We've worked hard over the years [...] our audience; there is a level of expectation in the dialogues that is very different" (Walton).

### **Box Office, Marketing, and Season Selection**

Curious has the highest maximum ticket price (\$42) of any small or mid-sized theatre studied, but it also sells \$18 tickets to every performance, which is competitive with the rates of other companies that stress affordability ([curioustheatre.org](http://curioustheatre.org)). Curious is also the only company in this study to engage in any form of dynamic pricing (that is, altering the price of a ticket on a given night based on audience demand that evening, similar to the way an airline sells tickets on a flight). Dynamic pricing is a relatively new instrument in the world of nonprofit theatre and one that most implementers don't like to talk about in detail. This may be because theatre managers don't want to be seen as gouging their customers, or because they simply don't know how effective it is yet. Walton is vague about the practice and its implementation, minimizing it

by suggesting that only a few performances merit its use, and that price hikes only take effect when there are only a few seats left in the house.

One place where Walton is very secure is in characterizing his target demographic. He knows that his audience is *not* everyone and he doesn't make many allowances for broad appeal in his seasons:

I feel pretty strongly that Curious is not for everyone, and if it were we would be straying from our mission [...] Part of our success has been due to identifying and holding down a niche in the community [...] and holding true to that. I remember another artistic director was quoted in the paper saying, 'Well in these economic times, you have to program for whatever sells the most tickets,' and I couldn't disagree more; that's the way to lose your audience, if you've really built a solid audience over the years.

Walton defines Curious' demographic in a much more complete and complex manner than any of the other theatre managers I have spoken to. The difference in his knowledge of that identity is impressive. He describes patrons who have a post high-school education, transplants from communities with many larger theatres, and people who are always looking for a better product or a more interesting experience. He names parallel products or services that he knows his patrons use, "Whole Foods, Tattered Cover, New York Times." He notes that it's important that his audience has enough disposable income to see a play regularly. He also is able to identify people who are not part of Curious' market: he points out that many Denver Center patrons, who might seem predisposed to Curious, don't like the theatre's embrace of controversial topics or plays with extended bouts of profanity, and have complained about the lack of amenities at and around the theatre.

Walton and Roselle both feel that theatre is not directly competitive with other theatres, but they do make the argument that there may be too little quality theatre in Denver, as well as too many productions of certain popular titles. Walton sees this as result of the companies in question lacking identity: “I think if there was stronger commitment to mission and clear differentiation, I don’t know that we’d have too many theatres. But we don’t have that and as a result you see ‘Insert Title of Play Here’ five times in three years.” He is also quick to point out that non-theatre competition isn’t a good excuse for having small audiences. Instead, he frames the idea of competition as an exercise in market identification:

Everybody talks all the time about sports, the outdoors, all that, and I certainly feel like those have an impact. I don’t feel like they’re our direct competition. What I do feel like is [...] our competition is I know that there are people out there in this community that demographically are like the people who come to Curious, and our competition is against ourselves to A. find those people and B. convincing them that coming to Curious and trying it out is what they need to do.

The focus that Curious puts on identifying a target market and catering to that market greatly informs their season selection as well. The company regularly secures regional and world premieres, particularly of popular plays and playwrights from New York’s recent seasons. In a sense, Curious could be considered a curator of “more interesting products” in the theatre; they actively search for plays and playwrights that take intellectual and strong approaches to their subject matter. This year’s season features 2011 Tony Award winner *Red*, while past seasons have made heavy use of contemporary playwrights known for their unique styles like Sarah Ruhl, Martin McDonagh, and Caryl Churchill (*Curious Theatre*).

## Fundraising and Finances

One of the reasons Curious is so much larger (financially speaking) than other theatre companies in SCFD Tier III is its ability to land major grants and donors. Curious has attracted national level grants from organizations like the National New Play Network and Theatre Communications Group (or TCG) (*Curious Theatre*). In addition, the company has an extensive relationship with the Bonfils-Stanton foundation, and was the recipient of a \$500,000 catalyst grant over three years in 2008. This money was targeted specifically toward helping Curious grow to a new level, with oversight from the foundation: “We were able to formulate our own blueprint for how we wanted to invest that money, but they were hands-on partners” (Walton). In addition to operating grants from groups such as the Denver Foundation and SCFD, these major grants have given the company an exceptional ability to build capital. The grants also helped to balance the company’s books during the 2008 financial crisis.

Another method of fundraising Curious has tapped into has been acquiring board members from larger Tier II and Tier I SCFD organizations. Adding new board members has provided Curious with not only “a completely different approach to not only their financial level of support [...but] their understanding of where the organization could go in the future” (Walton). Board members with previous experience at larger nonprofits such as the Denver Center Theatre Company or the Colorado Symphony Orchestra have been effective at envisioning a growth trajectory for Curious by drawing from their experience at these organizations. In addition to providing direct financial support, these board members are able to refer other donors and philanthropic organizations to Curious, and to introduce new audience members that share the board member’s interest in Curious’ growth.

## Long Term Planning and Growth

Walton does not like the idea of long-term planning, because it has gotten Curious into trouble in the past, especially as a result of the economic downturn. His experience at several recent conferences has also suggested that arts organizations are less interested in a concrete “plan” with a roadmap and markers, and are now moving toward the idea of a looser (though still strategic) “vision.”

We had a 3-year plan in 2008 that was only created in 2007 and it became obsolete. So I’m working on a 3-year vision right now, but [...] the overarching vision that I’m working with is that I want us to be a regional theatre. Not in the way that the Denver Center is a regional theatre, but I want to have the visibility, the resources, and the recognition in the region to be [...] the Steppenwolf of the Rocky Mountain region.  
(Walton)

Curious is also already undergoing a significant transformation as a result of its TCG grant. Roselle cites the recentralization of the company around artists, which has led to significant staffing changes “We were a very administrative-heavy artistic staff a year ago.” The company sees this as a way to return to the principles it was founded upon. Both Roselle and Walton seem to believe that Curious was not as grounded in its mission a few seasons ago.

As we grew, the need for people with more experience or interest in marketing became necessary, and we started to silo those positions. So we found people whose expertise was in marketing and the person may have had little to no experience in theater [...] and now we’ve found that we’ve become institutionalized in a way that we really didn’t



intend to and have driven the artists are to the periphery, so they're happening on stage [...] but they aren't involved in every decision. (Roselle)

A major hitch in Curious' ability to grow is its status as a Tier III SCFD organization. The company long ago reached the point where its budget was \$267,000, allowing it to apply for the maximum \$40,000 SCFD offers Tier III organizations in Denver. As might be expected, Walton is critical of the structure of the statute:

I can count on one hand the number of organizations the size of Curious in Tier III. We're at 1.1 Million. And the reason there aren't more is that in Denver, the way that 15/40 formula works egregiously penalizes larger organizations [...] I can never get more than \$40,000, which is 4% [...] it doesn't provide any real support for the professional infrastructure needs of a growing organization. An organization that has one full time staff member, and one computer, it supports it fine. But all of the sudden when we have 10-12 staff members and we need a server, box office software, ticketing software, whatever, where do we go for that?

The frustration Walton and Curious feel with this perception is that 86% of this \$40 million goes to the top two SCFD Tiers (*SCFD 2010*). In actuality, Curious is in competition with hundreds of other organizations to receive its share of about \$5 million, a complexity uninformed citizens may not grasp. He also perceives a low barrier to entry to Tier III of SCFD, which has grown explosively in the last five to ten years (De Nileon 16). Walton has seen a major geographic dissipation in of culture in the Denver-Metro area, possibly a result of the proliferation of Tier III arts organizations. He also identifies the construction of local culture centers as a potential

danger for Denver-based organizations (including his own): “Instead of people coming into Denver and spending their money at the Denver Center or Curious [...] we have the Lone Tree Arts Cultural center that brings the Arvada Center to them, that brings Creede to them.” This is a further frustration for a company that has defined its demographic very specifically and effectively, because his potential new markets in the suburbs of Denver have other options that are closer to home.

Walton and Roselle also acknowledge that their organization needs to enlarge their market to grow. “What we’ve done really well is convert single ticket buyers to subscribers. What we haven’t done very well is replace those single ticket buyers” (Walton). That being said, Walton is quite optimistic about the future of Curious, as long as it understands its mission and market:

I feel like the key to our success moving forward is to stop just selling tickets and to rekindle the deeper relationships with our audiences and our patrons [...] The entire field has gotten into some marketing strategies that don’t privilege that relationship. But I disagree that theatre is imperiled or will fundamentally change because of some of the technological advances that are occurring [...] that technological shift has made people want to feel more connected and more participatory.

Participatory connection, according to Walton, is what theatre can do best.

## Profile – Denver Victorian Playhouse

*Note: As the Denver Victorian was initially a for-profit theatre that is now closed, there is little accurate financial information on the company available. My information comes exclusively from my interview with Wade Wood and from articles by John Moore.*

### **Fast Facts**

**Years Existed:** 100, with dark periods. 5 years under the ownership of Wade Wood.

**Annual Season:** 6 shows

**Season Span:** Year Round

**Venue Size:** 76 seats.

**Part-Time Staff:** 0

**Full Time Staff:** 1

**Approximate Subscribers:** Unknown

**Ticket Prices:** \$20

*Source: Wood Interview*

### **Overview**

Historically, The Denver Victorian Playhouse was one of the most interesting spaces in Denver. True to its name, the theatre (also nick-named “the Vic” and “the Denver Vic”) was actually located in the basement of a Victorian-style home in Northwest Denver at 4201 Hooker St. (Moore, “Seats to Go”). The theatre was originally built by the house’s owner in 1911 as a community playhouse, and has functioned as a house, a theatre, and both intermittently in the 100 years since. In its most recent and perhaps final incarnation, the Victorian was operated as a for-profit theatre company run by Owner/Producer Wade Wood. Wood had previously worked at the theatre under its last owner/operator before it went dormant for several years:

She put it on the market about 2005 [...] and for whatever stupid, dumbass reason I thought it would be a good idea to buy the [theatre]. I wound up buying the building; we wound up as a for-profit theatre. My business plan, I said ‘I’ve got to get approximately

thirty-three people per performance to break even.’ You wouldn’t think it would be that tough to average thirty three people. (Wood)

Wood bought the entire house in order to buy the theatre beneath it, but chose to continue living in his existing home. It soon became clear to Wood that the Victorian couldn’t generate the revenue he was hoping for to pay off the mortgage of the house and keep the company running. He operated the theatre as a for-profit business for approximately two years before taking the Vic non-profit (with himself as Executive Director), a bid to be able to apply for grants and SCFD funding to keep the company afloat. Then, in the winter of 2010, a series of setbacks caused him to change his plans. First, in late 2010 Wood realized that he had missed the deadline to apply for SCFD eligibility. Then, he was unable to appropriately cast his January 2011 show, causing him to cancel the production and create a hole in the theatre’s production calendar from late December through February. Another company wanted to rent the space during that time, and there was a handshake agreement in place. “A week before they were supposed to move in, ‘We decided not to do the show.’ I’m screwed. Now all the expenses for January and half of February are coming out of my pocket for the mortgage. No revenue coming in, and that’s when I came to the conclusion, ‘Screw it, I’m selling [the theatre].”

Wood decided to put the Victorian up on the market at the conclusion of its last show in late March, 2011. Clearly, there was last minute confusion about the sale, but Wood defends his position in the midst of it:

It sold in about ten days. I had one offer on it despite what you may have heard. There’s a couple of people who wanted to keep it as a theater, and I started to delay this other one and say, ‘I’m going to push this off, but I have to get an offer, and if you don’t come

through, I'm sitting there completely screwed.' I go back and forth [with the first offer] and I'm not getting this other offer. I say 'I've got to have it by noon today.' I'm sitting there with my realtor that day signing the papers. Three hours later, I get the other offer on it [...] I had it for six years, and over that period of time I lost about \$200,000.

The conditions of the sale required the theatre to be stripped out of the basement and removed from the structure, and the current owner intends to use the house as a residence (Moore, "Seats to Go"). For the foreseeable future the Victorian will simply be another house in a residential area.

### **Production and Structure**

Wood was always committed to a compensating, non-union structure at the Denver Victorian. "Everybody at that theater got paid except me." The company generally ran weekend-only shows, three shows a week with the occasional extra matinee. Most shows ran for six weeks, although popular shows such as *Tomfoolery* would run up to eight weekends. While Wood was constantly tweaking his season structure and show selection, he rarely deviated from a standard schedule of weeknight rehearsals and weekend show runs. When a show closed on a Sunday afternoon, he would turn over the set that evening and tech his next show during the following week, essentially preventing any gaps in his performance schedule. At times, the structure was frustrating to Wood:

*Tomfoolery* was originally scheduled for six weeks, we got a really nice review from the *Denver Post*, we sold out every show after that, wound up extending it another two weeks and I would have liked to extend it longer except I had to put up another show. I wanted

to kill myself because I had to close a show that was selling eighty seats a night to turn around and open up another show that I would be lucky to sell fifteen to.

Both as a for-profit and a non-profit theatre, it's clear that Wood acted as sole proprietor and decision maker for the company. "When we first opened up [...] we formed an LLC to for control of the building, and that was in my and my wife's name. We formed a separate corporation, the Denver Victorian Playhouse, which was supposed to pay us rent, but it never did because it never had enough money to pay us rent." In his mind, his primary mistake was not accounting for the full costs of the building and overhead, rather than not accounting for production costs. "The shows we put on, I was able to pay my actors, my director, for the rights. We were able to pay for all of the costs of the actual production and maybe a little bit more there, but it wasn't enough to pay for the mortgage, the phone bill, the insurance [...] We were probably losing \$2000-3000 a month on the place." Despite the theatre company's success in paying for its productions, the house was a constant drain on Wood's personal finances. Though Wood admits to figures like this now freely, he found it difficult to get support from the theatre community before he announced the Vic was going up for sale. He also had trouble finding volunteer assistance. Even later when he was a non-profit, most offers of help only came when he was past the point of no return:

Somebody put their capital on the line and there's no guarantee that person's going to make anything. We have minimum wage laws that say 'You've got to pay this much.' [...] It's ok for the owner to work for a dollar a year. Nobody's looking after that, so that's where I have problems with certain mindsets of people, particularly in the theatre community. There's friends of mine who I'd [tell], 'You don't realize how close I am to

selling this thing.’ [They’d say] ‘I’d really like to help but I need to be paid.’ ‘I can’t afford to pay you,’ and then all of the sudden, ‘Why didn’t you say you needed help?’ Where’ve you been the last few years? Then of course everyone comes out of the woodwork when I’m selling the [place...] If I could have gotten the publicity when I shut the place down before I shut the place down, I probably could have gotten my thirty-five people a night.

### **Box Office, Marketing, and Season Selection**

Wood envisioned a season of six shows running for six weeks, titles that were essentially chosen by him for the theatre. The season model was originally designed to sell subscriptions, but subscription numbers never got to the point that Wood had hoped after a year or two, and so instead he moved to a model of selling 10-ticket flex passes. “Once the season starts, you miss the first show you’re not going to be able to sell season tickets. It gets you away from a season per se [...] you can sell these kinds of tickets year-round.” Though this eliminated a patron need for subscriptions from the equation, Wood still liked to have runs with a built-in end date, as this made it far easier for him to schedule rights, cast actors, and keep cash flow predictable. Occasionally, he considered extensions, but only if a show was wildly successful. He saw a danger in running a show until business faded, because unlike a season he would likely end up with a longer dark time in the theatre.

Let’s say suddenly [a show] drops off to a trickle of people. You’re closing the show and you can’t put something in and suddenly you’re stuck with three or four dark weeks. Then you have trouble with rights and casting because you’re not casting well in advance [...] you say, ‘We’re going to open in this time frame, and it’s going to run however long

it's going to run,' you don't know what the commitments of the actors are, and you can't keep them unless you're paying them on retainer.

Marketing was definitely more difficult than usual for the Denver Victorian. Beyond marketing a specific show, which Wood likens to “starting a brand new business every six weeks,” the Victorian had huge geographic challenges.

I can't tell you how many times I heard people [say] ‘We never knew this existed here.’ [...] there was no signage, no way to... [sic] At one point I thought about taking the building to historical status, but that's a double-edged sword too. There's certain things you can do, certain things you can't do. But if it was historical I could put up some signs along Federal, maybe some ground signs. But you're not getting any drive by traffic here, as opposed to a sign on Federal where people would see the sign and say, ‘We need to check that out someday.’ When I closed the thing down I had so many people say to me, ‘We always meant to come down and see a show there.’

Other than putting Christmas lights up year-round and a small sign on the house's front porch, the theatre was not permitted to put up any identifying signage due to zoning restrictions. In the middle of a neighborhood of Victorian homes, the Vic had virtually no distinguishing visibility, and any passerby on the low-traffic residential street could easily have no idea that a theatre even existed there.

Another problem was re-cultivating the Victorian's previous audience. Wood notes that until he purchased it, the theatre had been dormant: “It was dark for five years [before Wood bought it]. I had their old mailing list, but about half of it was no longer valid [...] there was a



lot of things we had to do to get it up to speed.” Wood used direct mailings and emails to attract his core audience, which included attendees of the Victorian’s last incarnation. He had large lists, about 4,500 each for mail and email; far more than the 1,500 or so seats that would sell out each run. In addition, Wood attempted to reach audiences through the Denver Tribune, and an ill-fated attempt to advertise on commercial radio. “KZEW, we advertised two different shows, I figured out that cost me about \$500 per customer [... on a \$20 ticket] that wasn’t very cost effective.”

All of these tactics did some good to help increase attendance, but nothing was able to overcome the Victorian’s street visibility issues and residential quirks. New patrons regularly got lost finding the theatre, and the fact that the theatre was in the basement while the lobby, bathrooms, and box office were upstairs further disoriented customers (Wood). Another major issue was that the theatre, as a residential house, only had one bathroom on its main level, and because its pipes ran along the walls of the theatre space, it could not be used except during intermissions. Wood thought about selling alcohol and concessions during intermissions, but just getting people through the bathroom line often resulted in breaks of 20-minutes or more and he couldn’t justify the additional delay it might add.

### **Fundraising and Finances**

Wood is candid about the lack of detailed finances for the Victorian as he ran it, and comes up with rough production numbers fairly quickly: “Annually, I never really did sit down to do a budget [...] I’d say the average [for a show] was, let’s say \$8,000. Multiply that by six, you’re looking at \$48,000 and then you figure the rest of the expenses of the building and the insurance was \$4,000 a year, figure another \$24,000 for the mortgage, utilities another \$12,000. I figure between \$86,000 – 100,000 a year.” He does, however, know that the theatre company

was never making enough money to pay for its share of the mortgage. He is equally rough in determining his revenue figures:

If you figure 100 people at \$20 a ticket, that's \$2000, you run the show for six weeks, that's \$12,000. You figure six times \$12,000; there you've got \$72,000, which isn't too far off from the \$84,000 I mentioned earlier. Maybe my expenses were a little bit higher. But if I was bringing in \$72,000, and maybe putting another \$1,000 of my own money a month, I can endure it. And then I tried to extend my runs to eight weeks, it made no difference. The attendance numbers, whether I ran six week or eight weeks, was about the same."

Wood's rough expense numbers translate to a minimum of approximately \$96,000 in expenses, leaving a deficit of approximately \$24,000 if his figures are accurate. This translates to a loss of approximately \$2,000 a month, which is what Wood estimates he was putting into the company.

As a for-profit model, the Denver Victorian was clearly never going to recoup losses or even stabilize, which is why Wood decided after two years to take the company non-profit. His main motivation was to acquire SCFD funding for the theatre, which he assumed would subsidize it to a level where it could function without his personal contributions. After obtaining 501(c)3 status, however, he found himself getting caught up in the paperwork and regulations surrounding the SCFD application:

After two years or so we decided that if we were going to keep everything going we'd have to [turn it into] a non-profit, get some SCFD funding, some donations, because it wasn't working financially. I get in touch with the SCFD to see what to do and they

inform me you have to be a nonprofit for at least three years before they'll consider you.

So that takes us to...we were trying to hang on for years, pretty much putting my own money into the place [...] I still had a full time job. I'd never run a nonprofit before in my life [...] but I figured if I get the SCFD funding I should be ok. And then last year [2010] I did all the paperwork to apply for SCFD, and I'm going online to get this information, and what I didn't realize was that you have to apply to apply [...] I was past the deadline to fill out the paperwork to figure out if I was eligible to apply. (Wood)

Not surprisingly, Wood was frustrated by this situation, and made the decision shortly thereafter to sell the theatre. Wood's opinion on the SCFD has soured since he was unable to obtain eligibility status for five years, first as a for-profit, and then as a not-for-profit. Sarcastically, he quips, "Nothing I like better than my taxes going to support somebody that's in competition with me. I was competing with the Arvada Center, the DCPA, Curious, any theatre that's getting SCFD funding. My money is going to them, and I'm getting nothing in return. It makes me wonder if I'll ever support SCFD funding for anything ever again."

When asked, Wood didn't seem to think that grants or individual donation drives were worth the time. The one mail-based giving campaign he attempted was not very successful, and he admits that the grant-writing process never held much personal appeal to him. As the only administrator of the Vic, he was always busy attempting to manage some other part of the business, and he acknowledges that his lack of interest simply made it difficult to find the time. Ultimately, though, Wood realized that he couldn't afford to keep subsidizing the Denver Victorian. "I had poured so much money out of my own pocket I was looking at my bank account at the end of the month to see whether or not I could afford a beer that night. My credit

cards were pretty well maxed out [...] I would say it was during Christmas of 2010 when [we did the calculations] and we said, ‘We’ve got to sell it.’”

### **What Went Wrong?**

Wood’s inability to apply for SCFD and the failed rental in January of 2011 were the final nails in the coffin, but he had been aware the theatre was going under for years: “Even in the spring of 2010, earliest 2009 we saw the writing on the wall. And I said I was going to push it, see if I win the lotto.” Wood was clearly deeply invested in the company and kept hoping for it to succeed above all odds. In fact, he still holds out hope that the house will revert to a theatre: “The space is still there. All the lighting and the seating’s been removed. I don’t know what the new owner’s going to do [...] somebody in the future, unless they tear up the cement, they won’t put any load-bearing walls in there, there’s no reason it can’t be a theater again.” He acknowledges that he made several mistakes when running the Denver Vic. Among other things he knows he stayed involved too long, he knows that he listened to other people with less experience than him, and he knows that the reality of the situation was very different from his initial projections. He even believes he has a solution. “The way to make the Victorian work as a theater was not the way I did it [...] The way to do it is to actually live there, ’cause you’re going to have a mortgage in any case. Because our shows were covering themselves, they just weren’t covering the overhead.” When asked if he would ever found a theatre again, his response is firm, but thoughtful:

I’ll tell you what I’d never do: if somebody wants to hire me as an operations manager I’d be fine with that. I’d never open another theater in Denver again. Ever. [sic] The competition is too high, a lot of people vying for what money’s out there, most people

don't really give a damn about theatre one way or another. This is definitely a sports town. I might open another theater in Colorado, but not in the Front Range. Maybe not even on the Western slope. I'd probably go to Montana, Wyoming, maybe Idaho. I'd go and become a big fish in a small pond.

Wood seems to have a strong grasp on the fiscal problems at the Denver Victorian.

While he could make enough to pay for the company's productions, he wasn't able to adequately fund its overhead in either of his business models. Still, there are other factors which should be considered when trying to understand why the company folded:

- **Non-profit status should have been considered from the beginning.** Wood was hoping for a break-even model from the beginning by projecting thirty-three seats (or 43% of the house) a night as his target figures. He also knew his revenue potential was very limited at a price point of \$20 (228 seats, or \$4,560, would be his maximum weekly gross in ideal circumstances). Starting the company as a non-profit would have been a viable way for the company to attract individual gifts, reduced advertising rates, and to start the three year period to apply for SCFD status from day one. It also might have enabled Wood to write off some or all of \$2,000 he put into the mortgage every month, depending on how he set up the company. It seems that the decision to be a for-profit company was one of personal choice, but non-profit should have been considered for the potential advantages and risk limitations it would have offered.
- **After its switch, the advantages of a non-profit model were not understood.** There were several ways non-profit status could have been used to the Vic's advantage that were ignored or under-developed. While Wood's frustration over the SCFD bureaucracy

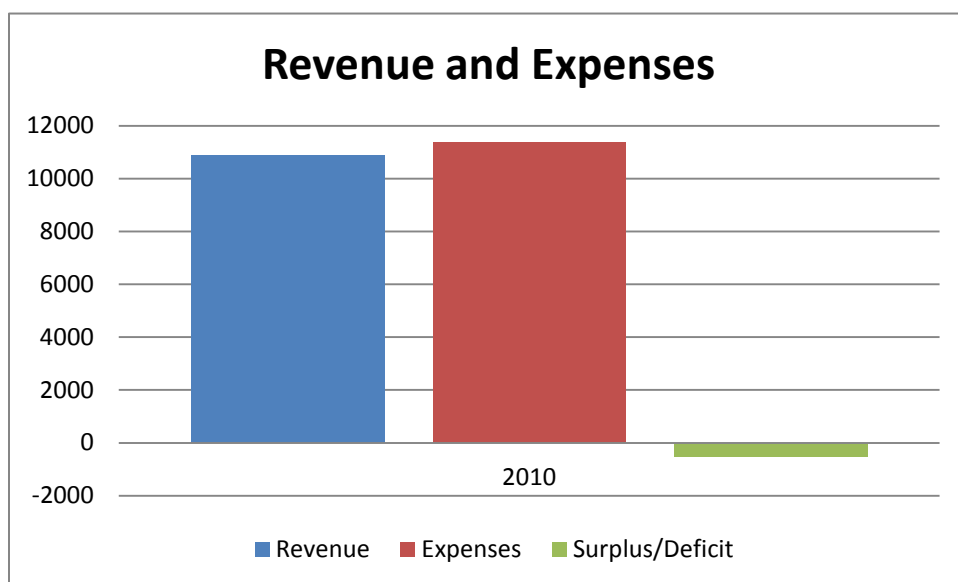
and multiple deadlines is understandable, hundreds of Tier III nonprofits have managed to work their way through the system with the help of SCFD resources. An in-depth search of their website or a direct call to the office to inquire about the application process would have prevented his ineligibility due to missing a deadline (scfd.org).

Wood also mentions his own aversions to searching for unearned income, and seems to have had little interest in asking others for money. A non-profit that makes little effort to apply for or seek out grants and individual donations is missing a huge opportunity for income, especially because donations were a core reason the Vic switched to a non-profit model in the first place.

- **The marketing strategy should have been reconsidered.** Knowing that the Vic had low visibility and a tough-to-find location, an aggressive marketing strategy was vital to its success. While emailing to a list of 4,500 is relatively cheap, sending regular postcards to a group of 4,500 is not (easily over \$1,000 per mailing at the going rate of thirty-two cents per card, plus printing and design costs). After a couple of poorly attended shows, it might have been noted that the postcards were not adequately returning on their investment. Commercial radio also seems like a problematic and expensive choice when there are far better ways to reach a theatre-friendly demographic (Program ads or sponsorship on NPR would have both been more cost-effective alternatives).
- **Too many duties were the responsibility of one person.** As producer, sometimes director or actor, business manager, front of house manager, landlord, marketing director, and more, Wood was trying to juggle far too many tasks for the scope of his organization. He admits to putting off the parts of the job he didn't like (donations, grant writing, and other non-profit aspects), which only exacerbated problems in those areas. Hiring employees or consultants in key positions (especially marketing, and later development

as a non-profit) may have increased the expenses of the company, but they would have had the potential for huge benefits in terms of revenue, and might have reversed the theatre's negative cash flow if they had started as a part of the business plan.

## Profile – Devil’s Thumb Productions



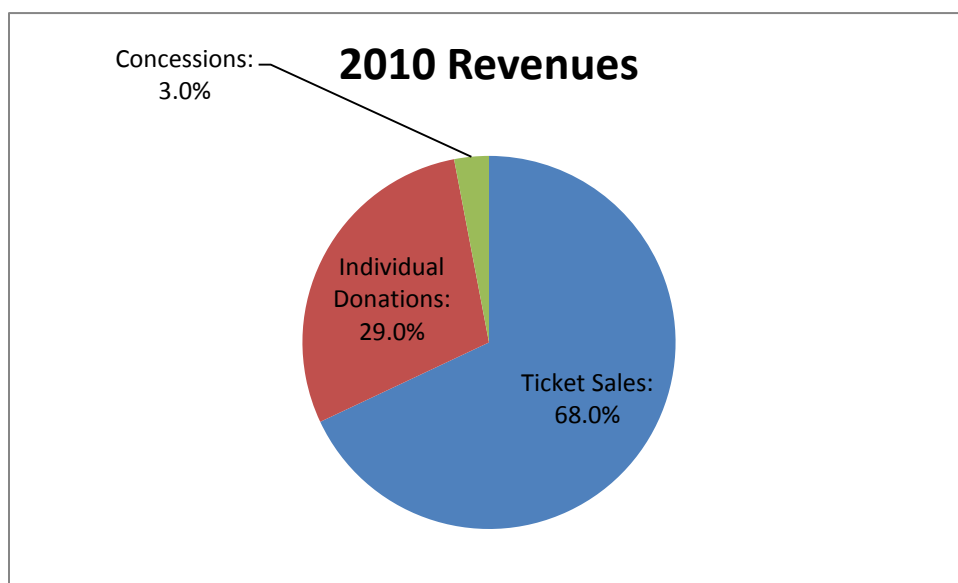
### Fast Facts

**Years Existed:** 2

**Annual Season:**  
3 productions

**Season Span:**  
September - May

**Venue Size:**  
Varies, 60 – 80 seats.



**Part-Time Staff:** 0

**Full Time Staff:** 0

**Approximate  
Subscribers:**  
Unknown

**Ticket Prices:** \$15

*Sources: Survey Results, Devil’s Thumb Website*

## Overview

Devil’s Thumb productions is the youngest theatre in this survey, both in terms of its founding (2010) and the age of its founders. Their story mimics the formation of other groups like Buntport and Su Teatro: four students had worked together on a student-directed production at the University of Colorado at Boulder, and discussed wanting their organization to continue.



Anja Hose, the company's Managing Director, explains it succinctly: "We all got together and decided to put on this show, and Devil's Thumb came out of that [...] As we were creating this one show we created the company." Artistic Director Alex Hughes clarifies that the idea of creating a company came second, and the show itself first: "When we formed, the whole intention was that we wanted to put this show on together. As we started this show, we realized it was a lot easier to do things if you had a company." The company's first show, *Jack and Jill*, was successful enough to be extended, and the company founders were pleased enough with that first production to plan a full season for Devil's Thumb in the next year. Hose admits that the grounding of the company was still shaky at that point, "Even when we were going to start season two, we didn't know whether or not there would be a season three [...] As we approached season three we said to ourselves [...] that we needed to start planning to be a long term company." At this point, the company began preparing for the long haul: "We got sick of having to do the same work over and over again [...] we never created a standard press release, or even letterhead [...] so we slowly started documenting" (Hughes).

Now in the midst of its third season, Devil's Thumb has produced plays in a number of venues around Boulder, including The Dairy, the Wesley Chapel, and other small warehouse-style spaces. The company has no official offices, and company members are not directly paid for their work as administrators, although performers and artists receive a small stipend for each show. The company is nominally for-profit, although both Hughes and Hose insist that the company's primary function is not to make money. Instead, the for-profit status of the theatre is more an indicator of their own uncertainty about how the company will develop, what business(es) it may delve into, and where the company may eventually locate. Runs of a show usually have a total capacity of less than 1000 seats and their budget of \$10,000 is dwarfed by almost every other organization in the survey, but they are hoping for significant expansions in

their third season. Their scale is still small, and technically it's difficult to classify them as "compensating their performers"; they barely pay anybody. The value of including Devil's Thumb in this study, though, is their youth. Devil's Thumb is in the process of making the decisions that almost every theatre company has to make as it sets out. Catching them at this point in their development gives insight into the beginnings of a company.

### **Production and Structure**

Devil's Thumb produces one show at a time, spreading out their season enough that the company only has to be immediately concerned with one production. Hughes is an unofficial leader among equals as the Artistic Director: "We all talk about almost every decision together, but if there's ever dissent, my voice is the one that makes the decision." Originally, the company operated without paying its artists, but that changed starting with the company's second production, *Talk Radio*, when they decided to allot a small stipend for performers. The stipend, originally intended for gas, varied somewhat from performer to performer, but has turned into a stabilized payment and has grown slightly. During this time, the core company members were still not paid, even if they were involved in production. Hughes is proud about their latest season changing this practice, "*Accomplice* is going to be the first show where we give ourselves something back too," but Hose also points out that the money is limited at this point, and if the show doesn't sell as projected, they may have to forego a stipend. "We all want to continue the company, and \$100 really does make a big difference at where we're at right now with our budget."

Stipends are still small enough that venue rental is the biggest expense for Devil's Thumb. Space and the expense that comes with renting it is clearly a problem. As a nomadic and for-profit organization the company isn't able to pay the cheaper non-profit or resident

organization rates at the Dairy, meaning a show can cost them \$815 - \$1125 per week in the venue (Sergeant). The Wesley Chapel, a smaller space with less technical infrastructure, is only \$500 a week, but this is still problematic because of labor: the venue must be set up and struck completely each night to allow the chapel to function normally during the day (Hughes). The finer details of each space are considered when renting as well as major questions like venue availability and the scale of each show. Hughes is confident that both venues offer an experience where its patrons can have a quality experience, and also thinks about the intimacy of the space when determining a location (Wesley Chapel seats up to 60, while the Dairy has 80 and 100 seat venues). Hose says the Wesley Chapel is less desirable in terms of visibility: “There are a lot of people who missed season two because we weren’t at the Dairy, and they’re on the Dairy mailings. And I feel like for people who live in Boulder, near Boulder, if it’s not at the Dairy it doesn’t exist.”

Design and production expenses are fairly minimal and the company actively looks for ways to mitigate costs. This season, the company intentionally designed a box set for their first show that could be repurposed to provide sets for the other two productions, effectively spreading a \$2500 production expense (about 20% of their annual budget) over the three shows (Hughes). Interestingly, the founding members have begun to remove themselves from the production process in this area. Because both Hose and Hughes have design experience, many of the early sets and design elements were created by them, but the company has started to prefer using designers and directors outside of their core company: “I like producing [...] I don’t want to have to design that scenery, I want to be given a saw and a plan” (Hughes).

One of the most interesting decisions Devil’s Thumb has made this year is to expand its productions to a new city: Chicago. This spring, the company will remount a popular show from its second season, *An Adult Evening of Shel Silverstein*, in a cabaret format at a Chicago Theatre.

Hughes describes the remount as “sticking a toe in the water in Chicago to see what it’s like.” In a sense, this made Boulder’s run of the show an out-of-town tryout for the company. The show will survive mostly intact; there have been some revisions based on the first production and the company will cast some new actors in Chicago. The format of the show has also been tweaked to make it more interactive (and perhaps more lucrative for the bar the company is occupying): a drinking game has been added, encouraging patrons to drink at particular times or during particular events on stage. This change was the idea of another company member who lives in Chicago and reported that drinking shows are very popular there at this time. It also has the potential to be lucrative, as the theatre company earns a percentage of the bar’s total.

### **Box Office, Marketing, and Season Selection**

Both Hose and Hughes are quick to admit that they chose their programming based on what they think will sell:

Everybody wants to say they pick their show because it artistically speaks to them, but I think most of them would be lying. We do how many actors are in this show and what is going to draw audiences to that show [...] in our opinions is it popular? Even *Shape of Things*, I picked [because] it was a movie, with two really famous actors. We picked *Talk Radio* for that reason [...] Shel Silverstein is a well-known writer [...] We try to pick shows that audiences are going to recognize immediately rather than I guess the artistic quality. (Hughes)

Popular genres and iconic characters are also reasons a show has been chosen, like the comic thriller *Accomplice* and the *Peanuts*-referencing *Dog Sees God*. Other season selection

considerations are practical: “A big part of our budget is gas stipends, so one of the first things we talk about is how many actors are in this play?” (Hose). The company admits it also chooses shows based on their own interests. *Jack and Jill* and Tracy Letts’ *Bug* were both selected out of a desire to produce the show for artistic reasons, but these two productions are in the minority.

So far, Devil’s Thumb has kept its marketing campaigns clean and simple. “One of the things we invest heavily in is PR photos,” says Hughes. These photos are taken by professionals for every show and cost the company several hundred dollars. They are usually incorporated into a well-designed poster, which Hose sees as a major part of their campaign, primarily due to the company’s limited visibility in the community. “I think it legitimizes you – if you have a professional-looking poster hanging around town, and people hear about the show, then it clicks for them that ‘oh, those aren’t just some people in a church basement, they’re really doing a show.’” Wryly, she adds, “Even if you might be in the church attic, which we will be.” Recently a Boulder Arts Commission awarded Devil’s Thumb a \$1000 marketing grant for *Accomplice*, which allowed them to pursue digital advertising through Facebook for the first time. The results were exciting on their scale: “We had over 150 people click on our ad to learn more about *Accomplice*. I don’t know how many of those 150 people came to see the show [...but] that was people consciously choosing to learn more about the show” (Hose). It’s also important to note that they were able to use Facebook’s advertising tools to make sure their ad was only targeted at potential *new* audience members, rather than existing fans of the company.

Still, like many theatre companies, word of mouth and positive reviews tend to be the primary driver of patrons to Devil’s Thumb’s shows. Asked to define their target market, Hughes and Hose have a little trouble. One thing they’re sure of is “A lot of our audiences aren’t other theatre people” (Hose). Hughes suggests that they try to target different audiences for each show. “If we were picking a focus, we really try to market to people who have seen our shows

before [...] It's college students, it's amazing how many college students come to see our shows." "And then there's a big gap and there's people my mom's age," adds Hose, suggesting a large range of demographics for the company to cover.

## **Fundraising and Finances**

Despite their status as a for-profit company, Hughes hopes for modest growth at best, "Right now, if we break even and can afford to have a next season, that's awesome [...] at the end of this season we'd really like to see \$2000 more than our expenses." Devil's Thumb also actively solicits donations. Wisely, given that donations to them can't be deducted, the company seeks a large base of small donors: "We'd rather find 1000 people to give us \$10 than 10 people each give us \$1000" (Hughes). The company has used Kickstarter, a popular micro-funding website, to raise money for its productions successfully. This year, the company also sent out an appeal with their season brochure which included a promotional DVD for their first annual giving campaign.

When asked how the company handles a loss or a cash flow issue, Hughes' response is "we protect ourselves." As the sole investors in a for-profit company, the members often turn inward for support. There have been multiple cases when a company member has given the company a short term loan and then taken that loan back when ticket sales have reached their goals. Hughes downplays the fact that the company members support Devil's Thumb in this way.

I think we've all resigned ourselves to the fact that starting a company carries some risk.

Does any of us want to lose \$10,000 on this? [sic] No, but I long ago parted with that

initial [\$1200] startup loan I gave to DTP and if it never came back to my account, that's

ok. None of us would keep dumping money into the company. We sit down and we make a budget for every show, and we say, ‘This seems like a doable budget.’ (Hughes)

The company has considered the prospect of asking another investor to contribute to their company, or the possibility of raising money along the lines of a Broadway-style general partnership, but both Hose and Hughes are nervous about the education and infrastructure that might be required to handle that new level of complexity. “We’re dipping our toes into this and we think we want to be a professional theatre company [...] but one of my concerns has always been talking to business people who see us as not professional [...] we don’t want to offend anybody or be stepped upon until we really know what we’re doing” (Hose).

Business skills have become a concern that none of the Devil’s Thumb founders anticipated during their education. Now that they have started a theatre company, both Hose and Hughes bemoan the fact that they didn’t find out more about theatrical business practices in college. Hose feels that her degree was too specialized, despite having taken a class in theatre management: “When a university designs a theatre program, they expect you to come out as an expert in your little niche, and eventually come out working for a number of different companies [...] working for somebody else. I don’t think they expect us to start our own theatre companies.” Hughes agrees, but also realizes that a practical business class wouldn’t have looked appealing to him as an undergrad. “If there was a class called ‘Accounting for Theatre’ I would have looked at that and said, ‘Am I required to take that?’ [...] I know I would have complained five years ago, but me sitting here now, I would know that’s why they made me take that class.”

Hose and Hughes’ comments pose an interesting question about institutional theatre training: is theatre entrepreneurship an area that college theatre programs should expect their

students to pursue? Given the number of profiled theatre companies in this survey that have a direct link to a college theatrical experience (nearly half), the question does not seem entirely out of place. The lack of experience and relative youth of the company is not lost on Hose, and she has valid concerns about being underprepared.

When we started this theatre company, none of us had a mortgage, none of us had kids, [...] all of our parents were nearby. And so if we had to move back in with our parents, which I think we all did at some point...here we are living at home with our parents and owning our own theatre company at the same time. We didn't have the life experiences, you know, of doing the finances for our homes, and here we are trying to do the finances for a theatre company.

### **Long Term Planning and Growth**

Devil's Thumb has seen tremendous change in its first season, and is already planning reorganization.

We've all acknowledged after this last show that we need to rethink our internal structure, who's responsible for what, and what everyone's title is [...] we all died trying to do things like we have been with this last show. A lot of solutions are really easy fixes, we just have to delineate responsibility differently than we have been [...Another thing] we'd like to see is [...] we staff Devil's Thumb, but we hire company members who are more company designers, company actors, so we don't have to design every show. (Hughes)



In general, the company members seem to have more interest in moving into administrative roles rather than staying directly involved in the creative process. This counters the trend visible in many other companies studied, which want their artists and administrators actively comingling. One particular gap the company has felt is a lack of front of house staff. While it may seem like a luxury for a small organization, there were significant problems with organizing front of house during *Accomplice* when all of the local company members were directly involved in the production. According to Hose, simply creating a greeter/usher would go a long way, both in projecting the company's identity as well as making the lives of in-production company members less harried.

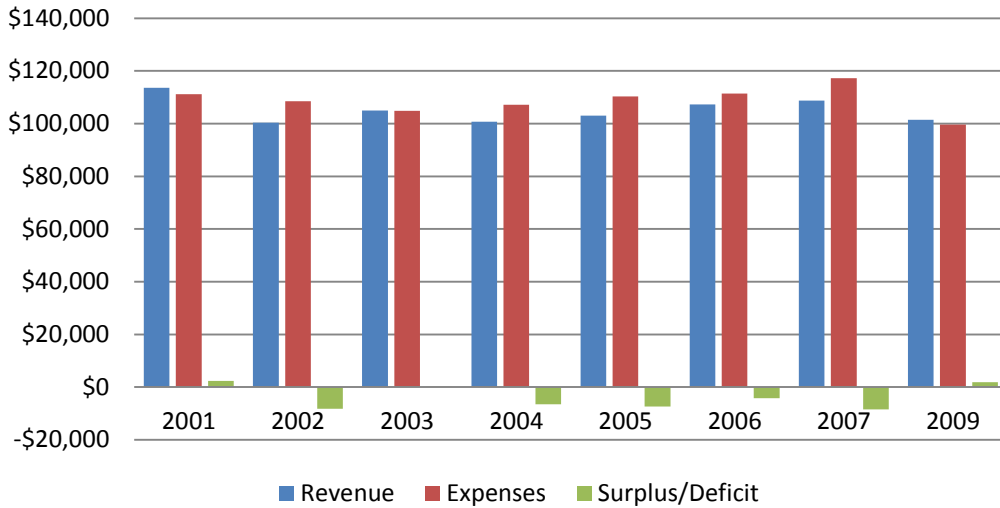
Change is the expectation at Devil's Thumb for a number of reasons. Among other things, the company members are young and realize that their lives are changing rapidly; not all of them are willing to commit to a long-term company. Hose points out, "If things go well in Chicago and we feel like that might be a direction we'd like to be headed we might shift, and we may end up being a company that is Chicago based three years down the line." This, along with the possibility that the company may voluntarily dissolve in a year, makes the time-consuming application process for 501(c)3 status (which can take anywhere from six to eighteen months and often involves legal and accounting fees) a task without a long-term payoff. Hughes muses,

The benefits of going non-profit are huge in terms of applying for grants and getting donations that are tax write-offs. But then you have to deal with a board and actually be accountable to people [...] it's nice right now in this for profit model because we have to follow the laws, but otherwise we're accountable to ourselves because we're the investors, and that's how it works.

Another possibility for the future is branching out into different mediums of art. “One of the things we talked about, and why we picked ‘Productions’ instead of ‘Theatre’ because we don’t want to limit ourselves to just theatre. It’d be fun to produce a short film with an up-and-coming director. In three to five years it might be finding more venues to branch out into than just theatre” (Hughes). Hughes and Hose also suggest the ideas of podcasts and web series as future projects. Given the struggle that many theatre companies have to stay afloat on their own, the idea of diversification into other forms definitely holds appeal. With the traditional cost barriers of television, radio, and music falling to almost nothing in the internet age, their vision of a multifaceted company seems to have at least theoretical viability. Perhaps because of their youth, Hughes and Hose see the possibility of a company focused on entertainment as a whole, rather than a particular form of it. If their interest is truly so varied, they may be on the verge of founding one of America’s first post-theatrical theatres.

## Profile – Germinal Stage Denver

### Revenue and Expenses



### Fast Facts

**Years Existed:** 38

**Annual Season:** 4 productions

**Season Span:** November - August

**Venue Size:** 113 seats.

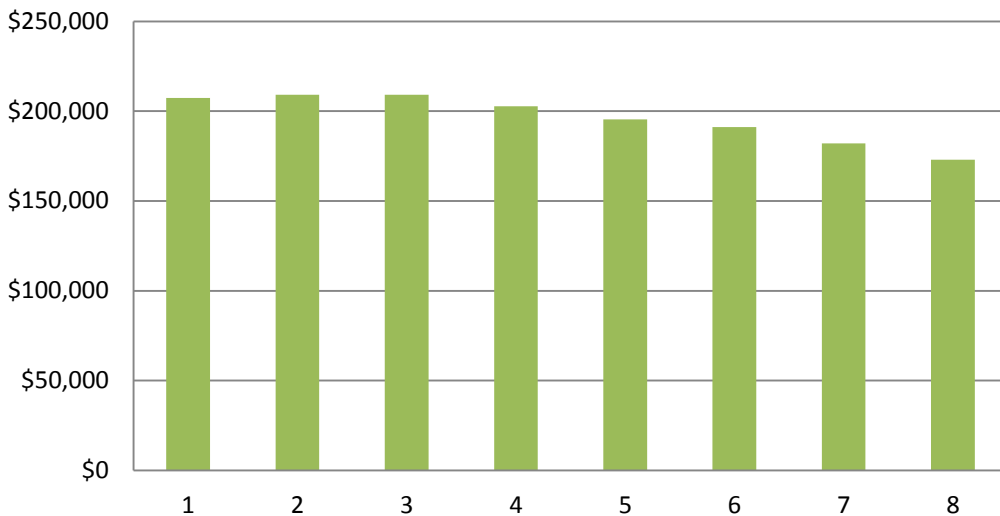
**Part-Time Staff:** 1

**Full Time Staff:** 1

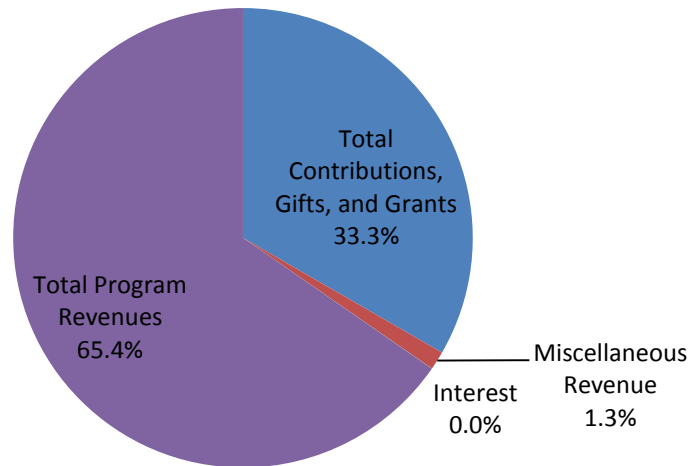
**Approximate Subscribers:** 500

**Ticket Prices:** \$19.75 – \$23.75

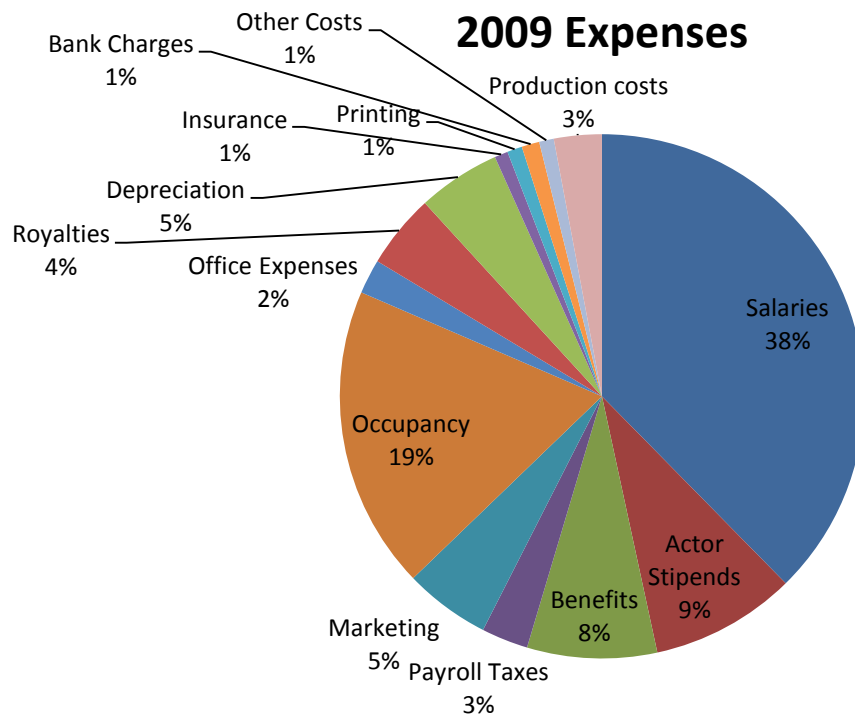
### Reserves



## 2009 Revenue



## 2009 Expenses



Source: Survey Results, Germinal 990s

## Overview

One of the oldest continuously operating theatres in Colorado, Germinal Stage was founded five years before the Denver Center opened in 1974 (*Germinal Stage*). Its history is inextricably linked with that of its current director/manager and sole full time employee, Ed Baierlein. Baierlein and his wife created the company with one other couple who had worked with them in a previous theatre company, Third Eye Theatre, in the early 1970s. The couples each agreed to save \$15 a week for a year (or about \$1,500 total) to create a pool of seed money for the company, and were able to incorporate in 1973. Baierlein recalls Germinal as the second theatre with a resident company in Denver that he is aware of (Third Eye being the first). The company always had been intended as a professional, nonprofit organization. Baierlein recalls,

We were underpaid or not paid at all for the first ten years of existence. I'm still underpaid but I don't mind it any more [...] I think we had the idea when we started that we would be able to pay people at some time, but we didn't pay anybody at the time, not even a stipend. That started in our third season, when we started to pay a minimum stipend, which evolved eventually into a minimum stipend against a percentage of the house, which is how we operate now.

Germinal operated for its first thirteen years in an old building at 18<sup>th</sup> and Market in downtown Denver (Baierlein). The company experienced its peak attendance numbers in 1983 and 1984, regularly selling out its 170 house. Baierlein remembers the entrée of the Denver Center as a major development, but one the theatre community didn't really understand:

It put us all in a certain amount of perspective. They were obviously out of our league and out of the league of most people in town. It was kind of like giving new parents a twenty year old baby and saying, 'Here it is.' The city and the rest of the theatre community didn't really know how to respond much to it. We didn't really have time to stop, we just kept doing plays.

In 1986, when Germinal received word that its building was in foreclosure, it held a major campaign to purchase its current home at 2450 West 44<sup>th</sup> Avenue. "We had enough money in the bank, were able to put, I think \$15,000 down. The building was \$130,000 [...] we also had a fundraising drive and raised about \$70,000 with the Gates Foundation, not Bill Gates but Gates Rubber, Bonfils-Stanton Foundation [...] Honeywell gave us some money. We had about \$70,000 to renovate and built essentially what you see here." The company opened the space in the fall of 1986 with a revival of their first production, *The Entertainer*. Baierlein recalls with a laugh, "It flopped both times."

Today, the company continues to produce four plays a year in a building that it now owns in its entirety, a 100-seat ("113 seat if we're selling really well") theatre (Baierlein). Most of the production materials in the space, including the stage and lighting equipment, were built by Baierlein himself over the years. The company sticks to plays that most would consider traditional classics and 20<sup>th</sup> century classics: Shakespeare, O'Neill, Williams, Pinter, Moliere, and Shaw are among the company's favorite authors. Baierlein is still the theatre's only full time employee and has been for decades, although his son joined him part time to assist a few years ago. Germinal is somewhat of an exception to the "no amateur theatre" rule defined in this study; Baierlein himself refers to the company as a "community theatre" and his website states,

“We are ‘amateurs’ in the best sense of the word--performing for love of the art, while at the same time making the most stringent demands on our performers' time and talents.” Today, that may be true, as the company does not pay much more than gas money to its performers.

However, at one point the company was paying actors far more, and simply stopped adjusting the stipend up for inflation. The company has employed hundreds of actors, and Baierlein himself, in its nearly forty year existence, and presents an interesting model for an older, well-established theatre.

### **Production and Structure**

Today Germinal produces four plays a year for six weeks runs, a change from few years ago when the company ran five shows for five weeks. Performances take place on weekends only, running Friday through Sunday, and a full run is usually 19 performances (Baierlein, *Germinal Stage*). The company is in production every month of the year except for August. Baierlein explains that the company keeps its costs at a bare-bones level: “Production budget is very minimal, about \$500 per show. It’s been \$500 for thirty-eight years. We have a large stock.” All of the stock is stored on-site. “We had three tenants when we moved in, but we took those spaces over through attrition over the years.” Actors are paid stipends based on the percentage of the show’s overall sales, usually guaranteed at about \$150 and capping out at \$450 – \$500. Other major expenses are royalties, which can range from \$4,000 - \$5,000 a year depending on how many public domain shows are selected. Other than actors and an occasional stage manager, the company is essentially a one-man operation. Baierlein employs himself, and occasionally one or two others, as Designer/Directors who are responsible for all production elements (although Baierlein’s son Tad helps to build the sets these days, accommodating for his

father's aging). Baierlein attributes the company's survival to this bare bones operation, at the same time acknowledging that the company relies heavily on him as a result:

Our directors are also designers. We try not to use separate designers [...] in the last ten years I directed and designed everything with a few exceptions. This year, Steve Cramer and my son Tad will each direct a show and design it, and that's the first time that's happened and that's with an eye to the future [...] that's in case I die. SCFD in my interviews in the last few years have asked, "What happens if you die?" Every year they ask that question. I'm not planning on it, but who does? And so it seemed to me that I ought to make some sort of provision for the continuity of the organization if I do kick off or become disabled. So now Steve [a new board member] and my son Tad are on the board [...] they both can do a variety of different things. To me, that's the model this place has to operate on."

### **Box Office, Marketing, and Season Selection**

Just like in every other part of Germinal's operation, marketing and ticket sales are essentially one-man operations:

[It's a] very simple kind of box office to run [...] one person can handle pretty much all the administrative here, and that's me. So I keep the books, we have an accountant but I do the day-to-day, promo, desktop publishing mailers [...] I think we're pretty bare bones, we don't spend a lot of money on crap. Our programs are very simple [...] we don't spend a lot on promotional costs, I think because we've been around for a while we



can take our audience sort of for granted [...] and keeping the labor centralized.

(Baierlein)

Germinal starts every season with a subscription campaign in April. It attracts a robust subscriber base of over 500 patrons. The company first offers sight-unseen “Early Bird Subscriptions” before the season is announced, and then a regular subscription price once the plays are known. Baierlein says his subscription levels have declined from a peak of about 1,000 in the late 1980s. “We lost a lot of business moving out here because we were no longer in a hub, we were just in a neighborhood and so it took a while for people to find us.” The company also offers a six-ticket flex pass after the first show opens as a late-subscription option. “Usually after we get done with subscriptions to try and sell the rest of them [...] they can use them in any combination [...] we don’t sell many of those, we sell more subscriptions.” Single tickets to the performances go on sale approximately a month before each performance, with prices ranging from \$19.75 to \$23.75. The first four performances are considered previews, and sold at a discounted rate. Baierlein sees this as a major advantage for word-of-mouth advertising, because it encourages people to come to the beginning of a run. “It allows us to do business in the first week which a lot of people don’t do. We’re guaranteed an audience for each of those first four performances.”

Marketing for Germinal’s shows is essentially limited to direct mailings and reviews. Baierlein keeps two separate mailing lists, one of about 3700 regular attendees and another of about 500 occasional customers. “We’re trying to develop [an email list] but that’s slow going [...] right now we have about 400 names [most of these subscribers].” Almost every show gets reviewed by *The Denver Post*, *Westword* magazine, or both. The fact that reviews don’t usually get published until the second week of a production was a major factor when Baierlein decided

to eliminate the fifth show from his season and extend *Germinal*'s runs. "Even with the five week run we weren't doing as much business at the end as we do now [with six weeks]. A lot of people wait." When asked why the company does not attempt a larger amount of outreach to new patrons, Baierlein equates *Germinal* to an acquired taste, "People who are ready for this kind of experience will find us. That's why we don't do a lot of scattergun promotion. We figure if somebody is not ready, if you force them to come, you'll turn a possible theatregoer into a never again theatregoer, at least for my theater."

Baierlein selects a season every year essentially by selecting the plays that he wants to do:

"It depends on what interests me at the time. In our first twenty seasons we did the hundred plays that I wanted to do when I started [...] and so it becomes a matter of second line plays by top line playwrights, so instead of *Death of a Salesman* you'll do *The Price*, or top line plays by second line playwrights, kind of one shots, like *The Rainmaker*. But for the most part, I think that my primary interest was in substantial plays [...] meaning] it teaches the audience something about a variety of topics.

Baierlein has an obvious bias in his play selection. It is rare to see a play written after 1980 among the hundreds of production photos that grace *Germinal*'s walls. Most of the authors and works he selects can be found in college anthologies of dramatic literature, or might even be the subject of their own graduate seminar. That a small theatre can attract an audience of 500 subscribers and hundreds of single ticket buyers to season lineups like that of 2011-2012 (*A Streetcar Named Desire*, *Entertaining Mr. Sloane*, *The Misanthrope*, and *The Play About the Baby*) is a testament to Baierlein's ability to cultivate an audience interested in an intellectual

and anti-populist theatre over several decades (*Germinal Stage*). In his own way, though, he admits to caving in to commercialism at times: “I can’t say I’m immune to saying *Streetcar* will sell [...] Shaw always sells. We always sell with Shaw [...] even *The Little Foxes* will pay for something on down the line.”

### **Fundraising and Finances**

Other than an annual donation drive through his mailing list and an annual application for SCFD funds, Germinal makes no significant attempts at fundraising. Even having a campaign is a relatively new addition, “They respond pretty well, more recently than in our early existence when we didn’t ask at all.” In fact, despite its status as a non-profit, the company seems somewhat disdainful of major financial support. Baierlein is proud of the fact that Germinal operates on approximately 80% earned income on an annual basis, and believes this is an appropriate level for a non-profit, which runs counter to the opinions of many other people interviewed in this study:

If you get to the point where your unearned income is more than 20% of your gross income I think you’re in trouble, because that can all go away like that. It’s not that I won’t solicit money or take it if someone wants to give it to me, but if you go out and get it you get overinflated and you’re due for a fall. Theatres in the past have gotten big grants when they first started, and they say ‘we’re gonna pay everybody’ [...] then the funding goes away and they’re up the creek.

Baierlein doesn’t see most grants as worth the effort of applying, perhaps a reflection of the fact that he’s the person who would have to write each application. “There’s certain things that aren’t

really worth the time [...] I'd rather spend my time playing golf than beating the bushes for tiny grants or hitting up corporations who don't really want to give you anything."

At this point in its existence, Germinal has few expenses. "The biggest expense is my salary, my son's salary, which both of us combined we're at \$37,500 [...] He gets a third of that, I get two thirds" (Baierlein). Cash flow is rarely a concern for the company, which has a sizable enough reserve to be able to carry most short-term deficits (although those reserves have been on a slow downward trend for many years now, according to tax data). If the company finds itself in a major financial jam, it usually falls to Baierlein himself as short-term creditor: "I'm in a position where I could lend money to the theatre, and I could always fall back on me. I think there was one time in the past ten years that I loaned the theatre \$5,000, and the theatre paid it back."

### **Long Term Planning and Growth**

Baierlein is quick to admit that he plans to die working for Germinal. He does not see the company growing or changing significantly, and sardonically lists the immediate outlook of the company as "dismal to bleak" on Germinal's website. He does reluctantly admit that he can't run the company forever, and that he would like the theatre to last beyond his own lifetime: "I'd prefer I didn't have to hire my son. But he does things that I can't do any more like heavy lifting. Ideally we would have developed somewhere along the line a more concrete sense of continuity for the labor." Baierlein also worries about the prospects of attracting new subscribers to his theatre: "I don't see young people coming along to make the commitment to seeing live theatre, especially with prices the way they are. I think we're fairly moderate now and our top price is \$24 [...] but still \$24 is a lot of money for young people [...] we were \$3.75 in our first

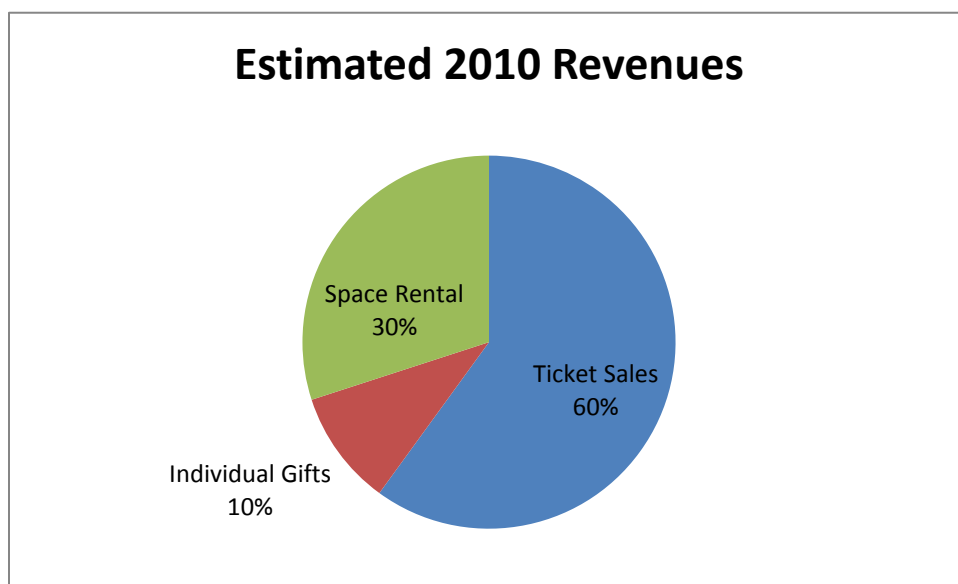
season, and we thought that was stretching it.” That being said, he has more hope for Germinal than larger theatres:

I’ve always felt from the beginning, and this is forty years ago, that theatre is a dying medium. But you’re always going to have mummers [...] who will find a way to perform [...] I feel much worse about the Denver Center and its problems than I do about Germinal and its problems. I think that kind of theatre has got a very limited future [...] big regional stuff is only forty, fifty years old at most. In that period of time [...] not that many new playwrights have been developed; in all of the new play programs that places have generated, nobody is making a really good living except maybe Tony Kushner.

To Baierlein, theatre itself is in a state of decline, largely due to the fact that it no longer attracts writers of the caliber it once did. He argues that the most talented potential playwrights of this era have been siphoned off to Hollywood to write movies. As a result, he feels the only way to promote theatre is to revive classics and keep theatre on a local level, something that larger regional theatres are unable to do.

## Profile – The LIDA Project

*Note: While some hard financial data is available on LIDA, its last 990 was filled out in 2003; the company has either been dormant or under the \$25,000 990 minimum filing requirements until 2010 and these records are not yet available. Due to the changing nature of this company I feel that financial data is not a reasonable representation of LIDA as it currently exists and have chosen not to include it in the profile.*



*Sources: Survey Results, Freeland Interview*

### **Fast Facts**

**Years Existed:** 17

**Annual Season:**

Varies, 2 - 4 productions

**Season Span:**

September - May

**Venue Size:** About 60, flexible

**Part-Time Staff:** 0

**Full Time Staff:** 0

**Subscribers:** 0

**Ticket Prices:** \$18

## Overview

Brian Freeland, the Executive Director for LIDA and a local theatre designer, is one of the most popular, well-liked, and best-known personalities in the Denver-Metro theatre scene. No less than three theatre friends stopped and said hi while we talked in a coffee shop for his interview, a brief stop before he had to jet away to his next meeting. Freeland is constantly in high demand as a director and designer. He has worked with dozens of theatre companies, was a member of the Curious Theatre Company for over a decade, and has probably crossed paths with more local theatre artists than anyone else in this study. Many of those artists worked with Brian

at the LIDA project, an interesting enigma in the Denver theatre community that only survives on volunteer labor but manages to consistently produce high-quality products.

Freeland, the longest-serving member of LIDA, and the only founding member still with the company, talks about how the experimental theatre troupe began in 1995:

LIDA was this this obscure reference we found in an academic text about brainwashing and mind control [...] LIDA was a box that was created by the Soviets, and it emitted low-frequency radio waves, and it supposedly had the effects of LSD or mind altering qualities [...] The five founding members] all came from a traditional theater background [...] we wanted to bring a multimedia aesthetic and mechanized feel [to performance].

The company's first production was a self-devised street theatre performance between 9<sup>th</sup> and 11<sup>th</sup> on Broadway and Lincoln. Shortly thereafter, the company committed itself to staying together as a group, and moved in to a warehouse at 36<sup>th</sup> and Blake as a rehearsal space. The company at that time was a group of half a dozen students from the University of Colorado at Denver with no working knowledge of theatre management and a strong anti-establishment streak. At first, the company eschewed the ideas of being for-profit, of accepting donations, and of applying for 501(c)3 status, though those positions eventually softened and the company eventually became a non-profit in 1998. "We had no business plan. We wanted to make radical art [...] There was some language that we bantered about where we said 'We're not going to take money because we don't want to be influenced by corporations, or the government, or anything.'" In the warehouse, the company members realized the potential for a dedicated performance location. The transformation to this more formalized structure was quick and unexpected: "Someone called us when they were remodeling what is now Curious and said, 'Hey

we have a bunch of pews. Do you want a bunch of church pews?’ And we said yes. Next thing you know we had seats, and we’ve been inside as a producing company ever since [...] it put us in a financial situation where we had to pay rent. And we tried to pay with what we could, which was product.”

With experimentalism at its core, LIDA has at times thrived and at times nearly vanished throughout the past seventeen years. The company has performed in a wide variety of contexts over that time, but it tends to focus on long-process work, both derived and original. The company has also struggled greatly with paying its artists and company members over the years. This stems from a strong commitment to a high-quality product which dates back to the company’s inception. “When we first started [...] the best thing was to do self-sustained work than individual support. So it was more important for the company to have longevity than to set up a big budget where everyone got paid for maybe a year, and then the work ceased to exist [...] The company has been incredibly successful in terms of longevity. In terms of affordability or professionalizing the company, it’s been not so successful” (Freeland).

The LIDA Project has been a nomadic company throughout its existence. The company has moved between five different venues since 1995, all of them reclaimed or alternative spaces, as well as touring locally and nationally with no home base. Freeland sees the freedom that warehouse spaces provided as important: “Our requirements were so off-the-wall at times that looking at a traditional theatre was pretty limiting. We found old, big spaces with either absent landlords or cool landlords who would let us do really wild stuff in their buildings.” This year, after several years of homelessness and touring, the company has invested in a new warehouse on 2701 Lawrence St., part of a mixed-used arts complex. “Embarrassingly it’s one of the first spaces we’ve had that’s fully compliant with all city codes and the city tells us ninety-nine bodies in the space at any given time.” As fluid as their spaces, the makeup of their company



has changed drastically over the years as well. Members have joined, left, and rejoined the company on several occasions, often for years at a time on either side. Throughout all this time, Freeland has been the only common denominator.

### **Production and Structure**

LIDA Project has waffled back and forth on whether or not it should have a structured season throughout its existence. Currently, it has a four-show season scheduled for the year, but Freeland wonders if this isn't limiting, and whether or not it will last:

What drove us to a season was chasing things like subscribers, and chasing things in grant applications that would begin to shoehorn some of our artist processes: 'What are you going to do? How much is it going to cost?' So some of those things that felt really organic started to become more formulaic of the non-profit art system. Then, as experimentalists will do, we kind of reject that, blow it up again, say, 'This is dumb,' you go back and, 'well we're not getting grants anymore.' It's a constant battle because more and more grant money is drying up, or more competitive. It's really foundations and agencies that begin to dictate how structures are: what your board should look like, the number of shows a season, expense to [income] ratios, things artists don't really think about."

The "non-profit art system" that Freeland refers to is also something that LIDA has struggled with over its existence. Obviously the company wants to have enough money to receive funding, but the question has always been at what point they are making themselves fit a mold of qualifications too readily. One of the things that keeps LIDA vibrant is its interest in tackling

contemporary issues, and Freeland suggests that the company likes to be able to react quickly in its creations. “When we were planning seasons, we would plan these seasons sometimes eighteen months out [...] they were asking what our next year’s budget was, so we had to have a season. Then we found ourselves with all or some of that money, but we didn’t always want to do that anymore.” Historically with LIDA, freedom seems to win out over steady capital for a while, until the company has to revert to traditional funding sources to subsist.

Though they often tap non-theatrical sources for their material, the LIDA Project is heavily focused on original and devised works. The work can be created by a single artist at times, but the company tends toward ensemble-devised processes, which can lead to extended rehearsal periods. “If we have our druthers, it’s a four to six month process, sometimes it’s closer to two to three months [...] generally about five times a week of rehearsal and script development” (Freeland). The titles of LIDA Productions are compelling, and tend to have strong pop culture and political connotations such as *Now I Lay Me Down to Sleep, Justin Bieber Meets Al Qaeda*, and *Hot + Wax: On Being Too Big to Fail (LIDA Project)*. Technology is often a major part of each production as well, including projection, experimental sound design, and more, often developed in conjunction with the rehearsal process. This leads to extremely expensive production budgets proportional to the company’s size, sometimes \$6,000 - \$10,000 per show (Freeland).

The major way that LIDA counterbalances these costs is by not paying or barely paying its personnel. In many cases, work for the LIDA Project is voluntary; Freeland himself has never drawn a salary for his administration of the organization. Occasionally, actors are paid a small stipend, but the general assumption is that an ensemble member participates in the process because he or she wants to be there. Freeland defends the practice as an issue of longevity and philosophy:

We're entering our sixty-somethingth production. We could have paid everybody a couple hundred dollars. According to the balance sheets we probably would have had five or six seasons. We've had an additional decade of work that has given people opportunity. And that's an interesting thing for, philosophically, commoditizing art. There's nothing that says you have to work for free, and I respect that. As a designer, too, I have different standards [...] it's about the experience [...] oftentimes I work harder for the less-paid gigs [...] I think the artistic value is important to the people who want to work for free. It's an option for people who are trying to carve out a living as a performer or artist who want to come and work for us to go, 'It's all right. I work for Curious sometimes,' and it drives Chip [Walton] crazy [...] people will take the paycheck from someone who's offering it. It's not to be confused, but I think we offer a real artistic alternative to the landscape of what's out there. We offer more direct participation and collaboration.

It is difficult to include the LIDA Project as a "compensating" company when it relies so heavily on free labor, but Freeland's arguments seem to carry enough validity in Denver's theatrical community that it's also hard to exclude. Actors, designers, and technicians who do paid work at other Denver theatres willingly forego any payment to be in a LIDA show on a regular basis (including, in the past, local Equity actors flying under the union radar) (Freeland). LIDA is known and respected in the community by other organizations as a professional-quality operation, and also is known for finding and cultivating new talent in the region (Denton, Moore Interview, Walton). Freeland himself is known as one of the best collaborators in the region, and despite his strong opinions tends to have an easygoing attitude about production and process.

Even without pay, theatre artists simply seem to want to work there, and for free they produce work that receives critical acclaim and occasionally tours around the country. Whether this is because the artists have a desire to cultivate their own radical streak, want to take on a new challenge, or simply have no other options for work seems to vary by individual. Certainly the model challenges the connection between artist salary and production quality.

Staffing at the company is always in flux, but minimal whenever it exists. Freeland says that past paid staff focused on administrative and clerical support. “We’ve had a couple. Right now we have an hourly employee. It’s a minimum wage five, ten hours a week just for Admin and duties that have to get done.” These positions have tended to be transitory in the company. Part of this stems from the Freeland’s ethos that the company should try to remain small and affordable. “With the finances, it’s always been a tricky point with someone having a part-time gig, of course everyone would like to grow...but the only way to grow the position is having more come in the door [...] anybody with the ability to have a part-time, low paying job, that’s just proven not to be a long-term position for most people.” One side effect of the low pay is that despite the desire of many artists to participate, they all eventually leave the collective. While some members of the company remain committed to LIDA Project as long as seven or eight years, they tend to be anomalies. Freeland has come to expect this turnover and doesn’t begrudge anyone’s decision to leave, or for that matter to return:

I think in experimental theater we catch a lot of people either on the beginnings or the end of their career. Often they’re just coming out of college and are excited to do anything, especially something that’s youthful or crazy and wild. Or we’re finding disenchanted actors who struggled through a local scene and just burned out with the same old crap, need something vibrant or different. They may be going, ‘I need to have

something that really speaks to me.’ Both of those types of folks are unsustainable for the long term. Generally folks on their way out will be really excited temporarily and then go ‘at some point I’m not going to be able to make my living, and more so in experimental theater.’ And new folks say, ‘I’m well-defined. I know what I want to do, I may move, I may go in a different direction.’

Of course, for Freeland, seeing any given individual moving on from LIDA is rarely a farewell. He may well see them down the road the following week at another production.

### **Box Office, Marketing, and Season Selection**

Like most other things at LIDA, marketing is “small, and often times we run that through a production line item. Maybe \$1000 per show” (Freeland). The company relies on a few postcards, YouTube videos, social media, and press releases to get the word out about its productions, what Freeland calls “low-hanging fruit.” Ticket prices are, like everything else, a constant experiment. Ticket prices currently sit at \$18, a compromise on the high end of their recent range: “We’ve been as high as \$22 [...] within the last five years, we’ve been as low as \$10 [...] for the type of work we want, we’ve found that lowering our ticket prices [...] for every two audience members we were getting what we got before in a single ticket buyer. We’d find ourselves with full houses and in exactly the same financial space as we were in last show.”

Freeland is quite aware that experimental theatre has a niche market, or at least is only an occasional event for most people: “You don’t always want to read Proust, but you want to have it on your shelf. Sometimes we fulfill that part that’s a little more head-y, more difficult, but sometimes you don’t want to have that Stephanie Meyer I guess.” LIDA Project intentionally keeps its house size small (usually about 60 seats) for most of its performances, both to enhance

audience intimacy and to adjust to its audience demand. While he wouldn't mind growth, Freeland does believe that theatre audiences are segmented and hold loyalty to particular companies: "You go to a show that's got buzz and it's selling well; those people aren't necessarily going to go down the street to LIDA. Curious audiences aren't necessarily transferrable to Buntport or the Avenue. They're attracted to the show." To him, attendance is a matter of getting audience members to identify with a show, not to compete directly with other theatre groups.

### **Fundraising and Finances**

LIDA Project's budget is usually small, but has risen up to nearly \$120,000 a year when it was actively renting out its space to other organizations (Freeland). Freeland notes that this ballooning is really an illusion of cash flow from subleases rather than actual growth in the company: "At some points it made our fundraising look great, like when a grant was based on a percentage of your annual income." On the flip side, some grantors would ask, "Why aren't you more professionalized? You can't afford a paid staff?" When essentially you're just subletting, handing money from one organization to another." Currently, the company has a more modest budget of around \$60,000 a year, which mainly covers rent and production expenses. The company has experience running leanly with almost no cash flow, and simply tries to make do without. In some cases, this may lead to changes within the productions themselves. "The budget may say \$500 but the bank account has \$20 [...] we need to come up with a different solution which makes our product work."

Like Buntport, the LIDA Project has had trouble with major renovations before, but in most cases has simply moved to solve the problem. In their last space, they ran up against the difficulties of renting:

It was always becoming a bigger struggle because we didn't own the building. The landlord was a huge supporter of the arts, but she was holding onto it as a speculative property. When we said we needed \$70,000 of space improvements, she said, 'Well...' and try and go out and fundraise \$70,000 on a building you don't own for tenant finish, [...it] becomes a big challenge for big ticket items. Most landlords are not interested in the upfront cost to transform a storefront or a warehouse into a public assembly space. It's just so prohibitively expensive. (Freeland)

Fundraising efforts for the company also tend to be minimal, with Freeland stating that "most of our revenue comes on the door." Without a significant amount of staffing to look for it, it becomes hard for the company to apply for grants, and in some cases the LIDA Project doesn't want the outside influence on their work. Oftentimes, contributions come directly from the older members of the company, who find it more effective to donate directly to the organization rather than to spend large amounts of time applying for grants. At this point, LIDA no longer takes SCFD funding, either, due to their absence from the region. "We toured for a number of years, and because we toured we were no longer eligible for money because we didn't have residency [...]. In the ensuing time I actually sat on the board of the SCFD and gave out the money [...] I actually had to drop off that board when we started up again." Serving on the board gave Freeland a unique perspective on SCFD, as well as on granting in general, which has transferred over to LIDA:

As a company we've been very critical of the ghettoization of theatre and arts organizations by SCFD, especially on the Tier III level. SCFD has a lot of salability for

the average voter, but it keeps organizations stratified. It keeps small organizations small, large organizations large. Once you know your place, that's where you will always be."

One of the problems for Freeland is that Tier III organizations do not always fully understand their growth limitations. The stratification, in Freeland's mind, is due to the caps set by the SCFD formula.

Small organizations are able to grow for four or five years until they hit their own ceiling [with about 20% of their budget]. It's really apparent when you have an organization like Curious that's so strong, and its numbers are so strong, and it's receiving like, what 6%? [Actually, last year it received only about 4%...] Unless [Chip] goes down a growth path that forces him into Tier II, which at times is an artificial growth path and not a natural growth path.

Changing the formula, of course, is only possible by rewriting the SCFD statute before its next authorization, and then passing the initiative through the public. SCFD is not the only funding source that Freeland sees as problematic. He also finds the exercise of applying for grants to contain some measure of political theatre:

I think the nonprofit grant cycles dictate how nonprofits run. 'We're going to give out our money based on this,' which is a whole series of Jenga pieces of how much money do you anticipate this is going to cost, is it a project, is it a season [...] the famous



question, ‘What happens if we don’t give you money?’ [...] and you have to play this fantastic game of ‘Of course will be fine,’ or you simply won’t do the project.

The frustrations that Freeland feels about being forced to meet SCFD and granting criteria underline a tension that many theatre companies rarely look at consciously: in order to get money, you have to play by the rules of your funders. Most other companies in Denver have no problem playing by the rules; many are happy to tailor their projects to the criteria of lucrative grants. But most other companies also don’t seek the autonomy that LIDA does. LIDA attempts to solve the granting problem by taking money out of the equation as much as it can, but staying completely out of the foundation and government funding loop has proven unsustainable.

### **Long Term Planning and Growth**

Much like J.P. Morgan’s famous stock market prediction, the safest thing to suggest about LIDA Project going forward is that it will fluctuate. Given the company’s volatile history, it’s hard to say how long the company will stay in its current location or even if it will continue to produce a season. The only likely constant is that Freeland and his personality will propel the company forward. Thinking about the future, Freeland again returns to the idea of escaping traditional channels, though this time he refers to the relations of theatre companies to their audience:

I think what’s wildly unique about theatre is that it hasn’t stepped up to reinvent itself as have other art forms [...] I think our audience is aging, and as long as our ticket prices remain high the barrier for entry remains equally high [...] I think as the city grows and becomes more sophisticated it will find its way to other art forms before it finds its way

to theatre. And I think that theatre companies will radically scale down. Newspapers will go away and theatres will be forced to re-engage instead of using earned or passive media like reviews to sell their pieces. I think when you don't have theatre reviewers [dictating] how long your pieces will run so that they're valid for the newspaper, you'll find runs getting smaller [...] closer to two to three week runs with the possibility of extension if you're selling.

Freeland is pessimistic about the prospect of new or revived theatre in Denver as well "I don't see growth. Maybe, if anything, stabilization. It always comes down to [the idea that] the art can't compete on the free market. Or what you get is you get free market art: really commercialized, really homogenized art." As an example of free market art, Freeland cites his own recent experience as a father, spending \$500 for a family of four to see the national tour of *The Lion King* as it toured through the Denver Center. He and his family found it an entertaining experience, but certainly not a provocative or challenging one.

## Profile – Nonesuch Theatre

*Note: As Nonesuch is a for-profit theatre that is now closed, there is little accurate financial information on the company available. My information comes exclusively from my interview with Nick Turner and from articles by John Moore.*

### **Fast Facts**

**Years Existed:** 7

**Annual Season:** None, continuous production

**Season Span:** year-round

**Venue Size:** 49 seats

**Part-Time Staff:** Unknown

**Full Time Staff:** Unknown

**Approximate Subscribers:** None

**Ticket Prices:** \$20 - 25

### **Overview**

Founded in 2004, Nonesuch theatre moved into a small space in Downtown Ft. Collins with the intent of producing “downtown cabaret theatre, very off-off-Broadway feeling” (Turner). Owner and Producer Nick Turner envisioned an intimate entertainment center that could provide late-night adult-oriented entertainment to the bar and social crowds of the city. Turner was bullish about the company in the first few seasons, and recalls the company making over \$100,000 a year. Nonesuch had some of the longest runs in Northern Colorado, running four shows a weekend in its forty-nine seat house. However, Turner saw that picture change in 2008: “Just when we were at the pinnacle and exploding, that’s where the economy started hitting. Despite getting tons of press [...] and a great following, I saw between 2008 and when we closed a decrease in attendance by about 75%. So we went down to a little over 25% of what we had been getting.”

Turner tried almost everything to keep the theatre solvent for two more years, but in February of 2011, he announced that the theatre would close in April of that year, citing low attendance and over \$100,000 in credit card debt (Moore, “Nonprofit Dilemma”). The company ran a final production, a remount of its hit original play, *My First Time*. The news surprised the theatre community, and prompted *Denver Post* reporter John Moore to write an article on the disadvantages a for-profit theatre has in the Denver-Metro area:

Nonesuch is a 49-seat salon theater in downtown Fort Collins with obviously limited revenue potential. Turner said he's pulling the plug after seven years because he's run up \$100,000 in credit-card debt. A small but established company like the Paragon Theatre has grown its ticket revenue from 25 percent to 54 percent of its revenue in three years. That's a startling growth figure, yet Paragon still depends on 46 percent of its income from contributed support. Paragon gets about \$10,000 a year from the SCFD. 'I can't even fathom trying to run a theater company as a for-profit,' said Paragon artistic director Warren Sherrill. 'I just don't think the support is out there.' (Moore, “Nonprofit Dilemma”)

Nonesuch's closure clearly exposes the lack of a safety net for a for-profit theatre and serves as a reminder that an artistic for-profit endeavor is much more beholden to its bottom line. Turner was happy with the products of his company, but for some reason, he wasn't able to keep the company solvent. “I have no regrets about any show we did. From my perception they were all successful artistically and entertainment-wise. There isn't one that fell short. I think at the end of the day it was the economy first, and secondly at my most bitterness [sic], it was the idea of people loving the idea of the Nonesuch, but not coming.”

## Production and Structure

The programming of Nonesuch was definitely tailored for a wider audience, and Turner's ideas for a cabaret theatre were unabashedly populist. "The mission was always downtown entertainment. Something [where] you came down, had dinner, had wine, took a date, saw a show, and knew you were going to be entertained. There was never any heavy, deeper theatre going on. It ranged from *Forever Plaid* to *My First Time* to *Urinetown* to *Ruthless*." The company originally had season tickets and subscription plan, but Turner ultimately abandoned them because he felt they did not work with his business model and vision for the company:

Season tickets are good because it gives money up front for shows [...] I wanted to be more than a theatre, I wanted to be downtown entertainment [...] We had done season tickets before, but with the economy I felt that we had to do what was selling. But we were in a bind: you not only can't promote anything because you don't have any money, but even royalties become too expensive.

Because Nonesuch was dark most of the week, it was relatively easy for one show to rehearse while the next one was still running. This provided few gaps in production weekends, and allowed the theatre to always be running over the weekend. At first, Turner paid his actors non-Equity wages for their performances, but after 2008 with a drastic drop in attendance, he found that untenable. In the last two years of Nonesuch, Turner was using his relationships with actors to ask them to come and perform for free. To him, removing money from the equation made a significant difference in the attitude of performers: "The minute money came out of it, we never had more fun [...] and that again is why I think I'd go not-for-profit. When I gave

stipends to people or I'd try to pay people, at the end of the day there was a different attitude. You know, we're doing this to have a theater company."

When the company was starting to underperform, Turner did make modifications to how much he was paying for a production. He minimized sets and production costs, found productions with lower royalty rates (including generating original work for the theatre), and asked his performers to work for him for free. All of these changes, however, were not enough. Turner admits, "It never got beyond survival." Even when the company was making some money in its early years, it had to pay back the debts of its startup costs and renovations to its performance space. Turner characterizes 2008 as the point when the company was just getting out of debt and beginning to turn a profit, only to see its numbers collapse.

### **Box Office, Marketing, and Season Selection**

If there is one obvious culprit in Turner's mind for Nonesuch's downfall, it is the economic crisis of 2008. His belief is that many of his core audience, people he could count on to come see every show at the theatre, simply lost their ability to afford his tickets, which, at \$20 – \$25, were on the high end but fairly competitive with other small theatres in the area. Turner was clear about targeting his shows at adults, and specifically at young professionals looking for a night life in Ft. Collins. As unemployment numbers rose, he believes this group's income started to vanish. Certainly, a \$20 ticket would be a hard sell to an unemployed person, and Turner cites unemployment figures as high as 9.5% when talking about Ft. Collins' dip during the recession. Turner describes the difficulties of cultivating an audience in this environment:

There's no reason for us to have lost any of our small, dedicated audience except for the fact of the economy [...] We did get new people because of very aggressive marketing

and cool things we did, we got new people all the time, but we had lost a significant amount of our regulars because of the economy and didn't have enough of an increase to make up for it, so we were always playing catch-up. Instead of being at the point where you should be in a business venture of having your base and improving, we were just trying to stay at that base structure.

In its heyday, the Nonesuch had a standard marketing scheme that created high visibility in the downtown area. The theatre itself was just off of the main street in downtown Ft. Collins and, as Turner notes, "Right next to Starbucks," meaning that the area attracted a large amount of foot traffic. In addition, Turner used posters, postcards within stores, and bus kiosk ads to generate secondary visibility in the area. As the theatre's revenues declined, he was forced to cut back on these placement ads, but found an interesting solution through in-kind trades, and even commission sales: "When I had to get creative the last few years [...] I did a lot of radio and television, because they had to adapt. So you did a lot of trade. You would trade tickets for advertising and they would sell tickets and get half the amount for them." Turner also teamed up with local restaurants to advertise in its show. With all of his focus on visibility, Turner was still unable to reach many people:

The day [our closure] got announced in the [Ft. Collins] newspaper, the first comment was a guy who said, 'I've never even heard of these people, no wonder they're closing.' [...] what's heartbreaking about comments like that is thousands of dollars of marketing. We had a great relationship with the editor of the paper, I'd say we had twenty covers of the paper, and yet you still get those comments. So that's always the challenge, is how you get people informed, and it takes a massive amount of money.

Part of Turner's problems may have been his reliance on newspapers as a way to get the word out. In the beginning, he found he needed very little additional advertising: "It was a different time. Everybody had newspapers [...] it was hitting that theatre demographic. But times have changed. I mean social media has changed dramatically in the last year." Nonesuch's inability to adapt to this change may have been another reason it ultimately closed.

### **Fundraising and Finances**

Turner's largest expense at Nonesuch was typically performers and royalties. Rights for a show like the popular *I Love You, You're Perfect, Now Change!* could run Turner as much as \$150 every show. Despite his efforts to negotiate down these fees, he was unable to cut a deal with the rights holders. "The royalty houses have a monopoly. They're only now, I'm hearing, starting to be very flexible. Because I'm sure they're working half the theatres they used to." Turner never provided specific number for what he was paying actors, but assuming even a very modest fee of \$25 per staff member per show a four-actor, two-musician, and one technician/stage manager show like *I Love You...* would cost a minimum of \$325 per night just for rights and labor. At a rate of \$20-25 per ticket, Turner would need to sell between thirteen and seventeen tickets, or 27 – 35% of his house just to break even for the night. On the flip side, assuming four sellouts at the full \$25 ticket price, the maximum ticket revenue that Nonesuch could gross in a given weekend was \$4,900. With a minimum rights and labor cost of \$1,300 over that weekend, we can estimate the maximum net revenue potential of Nonesuch at approximately \$3,600 a week. This is, of course, before covering the overhead of rent, marketing, utilities, maintenance, and production costs, which could easily push expenses much higher. As a hypothetical example, assuming an extremely modest rental rate of \$5 per square



foot for downtown Ft. Collins real estate and a cramped, 600 square foot theatre, Nonesuch was easily paying \$3,000 per month in rent, and most likely a much higher sum.

As a result, Nonesuch had a very narrow operating window in which to stay solvent. After 2008, low ticket sales would severely affect even this rosy picture of the theatre's finances: "At the end we were working off 100 tickets per week, and we were trying to pay everything with that [...] 200 was our maximum, except during the holidays" (Turner). 100 tickets, or \$2,500 a week maximum, would leave Turner with very little to cover operating costs, even with free labor from actors and musicians. At this point Nonesuch was already either discounting tickets through promotions, or offering commissions to secondary ticket sellers, which would further reduce Turner's maximum income.

With low potential revenue for ticket sales, another revenue stream, like a bar or concessions, seems like it would be a vital component to make Nonesuch work. Adding a bar (or even a drink minimum) to a comedy club, jazz club, or cabaret theatre is a well-established business practice and has notably been an extremely successful model for the Denver Center's Garner Galleria theatre in Colorado. Turner, however, didn't see the numbers that might have been expected. Instead, he saw alcohol as a driver of group sales: "We did wine and beer and it was a nice contribution, but it wasn't a major revenue generator. Mainly its purpose was [for] people who wanted to have parties or buy out the house. That was always a great selling point [...] we probably got all of our significant Christmas parties because of that reason."

As a for-profit theatre, one place Turner felt he couldn't go was searching for donations. Even the idea of adding a new investor seemed morally suspect to him: "I had numerous people come and say 'What can we do for Nonesuch?' I said we're for profit and there's nothing you can do. People wanted to give us money. Well you can give us money as an investor but you're going to be an owner of the theater. I actually talked them out of it. I said, 'You don't want to

invest in a hundred thousand dollar debt.’” John Moore was sympathetic to Turner’s struggles in his article:

First, a disclaimer: 'For-profit theater' does not mean that you necessarily make a profit. 'Yeah, that's a lie,' said Michael J. Duran, producer of the for-profit Boulder's Dinner Theatre. 'I wish it were that.' If anything, for-profit theaters are at a far greater financial disadvantage. The Scientific and Cultural Facilities District (a penny per \$10 sales tax), distributes \$40 million a year to 300 metro-area nonprofit arts groups. The Denver Center relies on \$2.7 million a year in individual, corporate and foundation support. (“Nonprofit Dilemma”)

As a for-profit theatre, Nonesuch was never allowed to apply for government funding or most other grants. The flip side, of course, was that if Nonesuch had made money, Turner and his partners would have been able to keep it. Still, the Denver Center (which includes the revenue-producing Garner Galleria under its umbrella), receives an annual subsidy from the SCFD that could cover Nonesuch’s annual operating costs for decades. This particularly bothers Turner because he employed local artists in all of his productions over Nonesuch’s seven-year run. In contrast, he sees many other Denver-Metro theatres hiring their cast members, directors, and designers from out-of-state. Though as a Ft. Collins resident Turner himself doesn’t make significant payments toward SCFD, the principle irks him: “That’s another big issue I have, with Colorado funded theatres. Taking Colorado money and giving it to someone else. I have a big problem with that.”

## What Went Wrong?

Despite the narrow window Nonesuch had for financial success, Turner was determined to keep the theatre running. Asked when he realized that things were going downhill for the company, he responds, “I never did, I always had optimism and I always was working hard, and I always saw us eventually overcoming it some way. It really at the end of the day became a discussion with the landlord. He was tired, and he helped me realize that I was tired and worn out. I don’t give up, I’ve never walked away from anything [...] otherwise I’d still be doing it.” Turner openly admits he would reconsider Nonesuch’s model were he to open it again: “If it was the same plan at this point in time, there would be no other alternative except not-for-profit. I wouldn’t even venture into for-profit theatres anymore [...] I foresee all theatre in the country outside of Broadway becoming not-for-profit.” He also views his company as only one in a list of potential casualties in the Ft. Collins area: “At the same time we [theatres] were all facing a major decision. Openstage almost closed, Bas Bleu almost closed. They just got saved because they had been around forever and had patrons. So yes, being a non-profit saved them, but they had to fight for it.”

Without knowing the in-depth financials and history of Nonesuch, it is impossible to make a definitive conclusion about what brought the company down, but it does seem like there were several problematic aspects within Turner’s business plan:

- **The theatre was too small to sustain itself on ticket sales alone.** Nonesuch had a maximum gross potential of less than \$5,000 a week, with break-even costs being at least \$2,100 (for the intentionally low rent, royalty, and staff stipends I assumed above, and excluding many potential marketing and overhead costs). Conservatively, then, Turner would have to sell at least 100 tickets a week (50% of his maximum inventory) just to

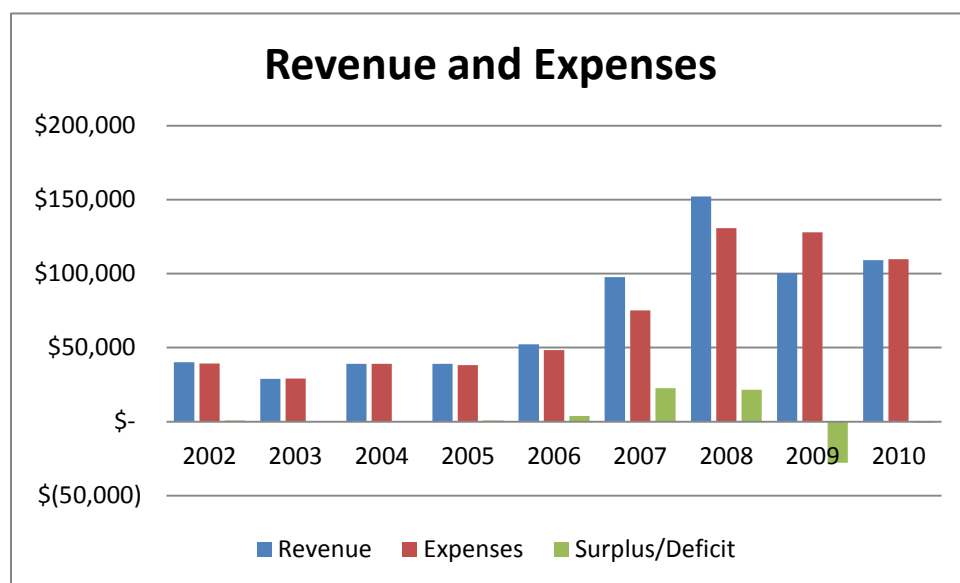
break even. Clearly, this is an underestimate of his costs since Turner notes that when he decided to close, he was struggling to work on about 100 tickets per week even after cutting royalties and actor salaries. Assuming that the theatre would not always operate at full or near-full capacity, these figures raise questions about the viability of Nonesuch's basic model. The recession certainly hurt the theatre, but it seems likely that the underlying business model may not have been in good health from the beginning.

- **The bar was not seen as a major revenue generator.** Given that income from tickets would be struggling to cover costs, it is surprising that Nonesuch saw alcohol sales as a minor financial contribution to its whole. Strategies such as including a drink minimum or raising the ticket price and including a drink ticket do not appear to have been considered. Another strategy that seems to be missing was the potential for opening the bar alone on dark nights for the theatre as a downtown attraction, enabling the business to make money throughout the week with minimal additional overhead. Any of these steps might have helped bring the company's revenues up, which would in turn have given Turner more room to cover his costs.
- **The company was using deficit spending to cover its costs for a long time.** Both Turner and Moore mention that Nonesuch had over \$100,000 in credit card debt when the company closed, and neither mentions any capital expenses that might have caused that debt. Unless the company had financed its opening with credit cards (a terrible way to acquire startup capital), this debt was acquired to cover operational costs. Since it is unlikely Turner was able to pay off the entire balance of the card every month, a good portion of this debt is probably carried interest. While it is not unusual for a company to close with some debt, \$100,000 is equivalent to roughly 20 weeks of revenue from Nonesuch operating at full capacity. Assuming that at least some revenue was being

earned in Nonesuch's last 20 weeks, this debt had to be built up gradually, over a period of at least six months and likely over a longer period. A gradual increase in debt like this would have been a clear financial signal that the business needed to rethink its model or cut its losses.

## Profile – Paragon Theatre

*Note: As mentioned in the introduction, Paragon announced its closing on March 6<sup>th</sup>, 2012, just days after I wrote this profile. Rather than rework the entire profile, I have added a new section that discusses the company's troubles moving into a new building. I leave the original profile in tact to show the importance a single event can have on an otherwise well-managed company.*



### Fast Facts

**Years Existed:** 11

**Annual Season:** 4

Fully produced shows, 3 – 4 New Play Readings

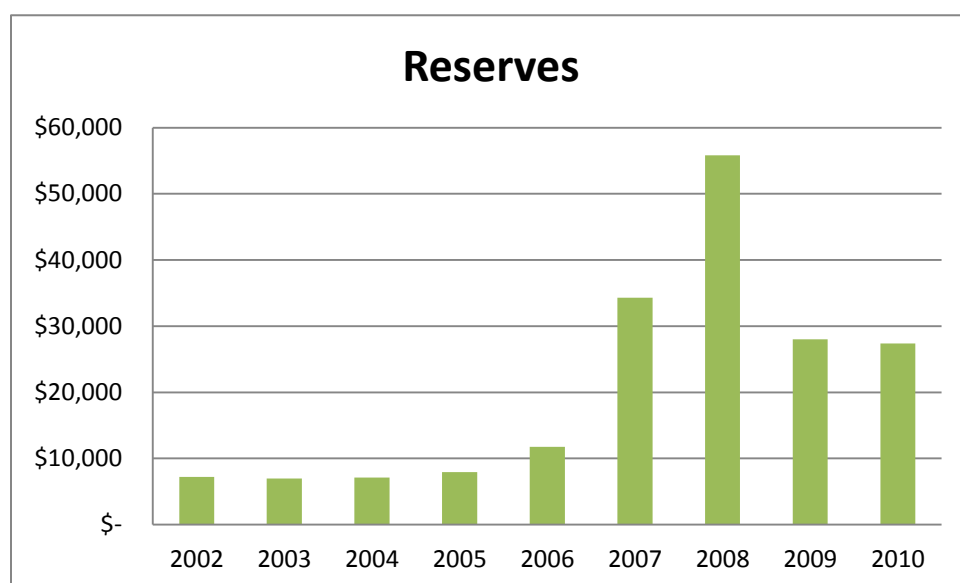
**Season Span:**

January - October

**Venue Size:** 106

**Part-Time Staff:** 1

**Full Time Staff:** 0

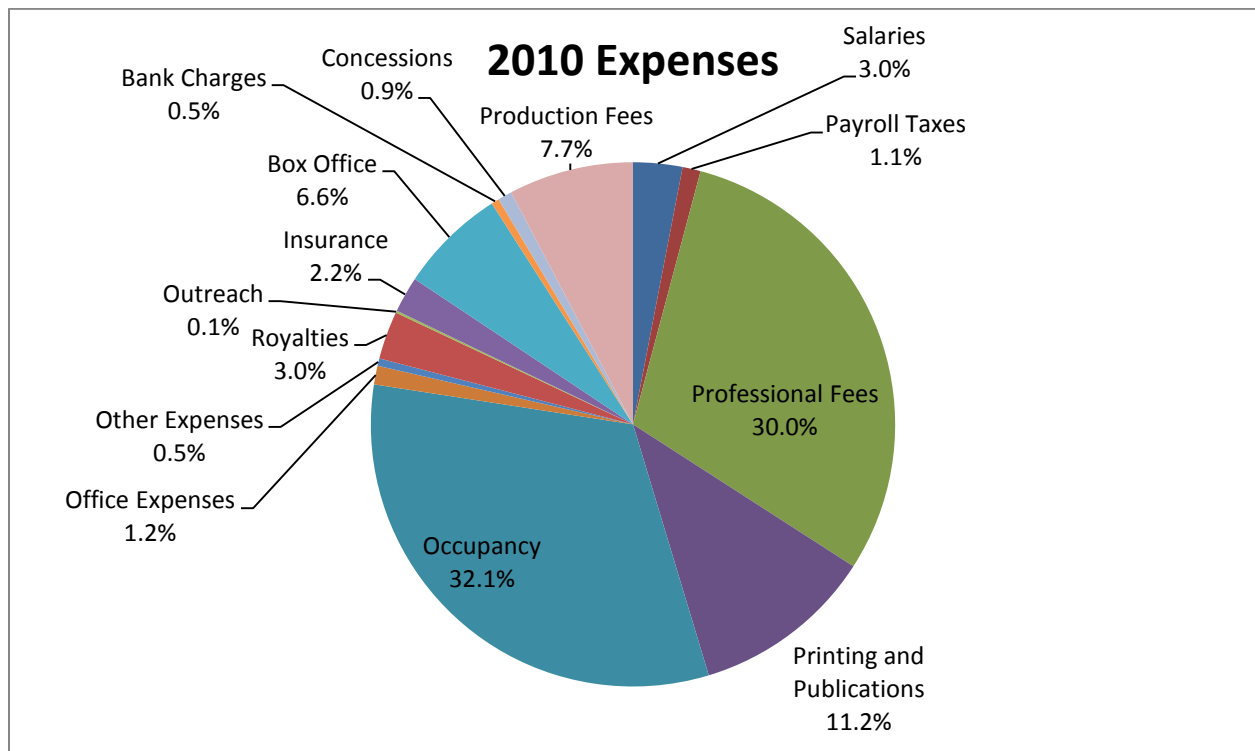
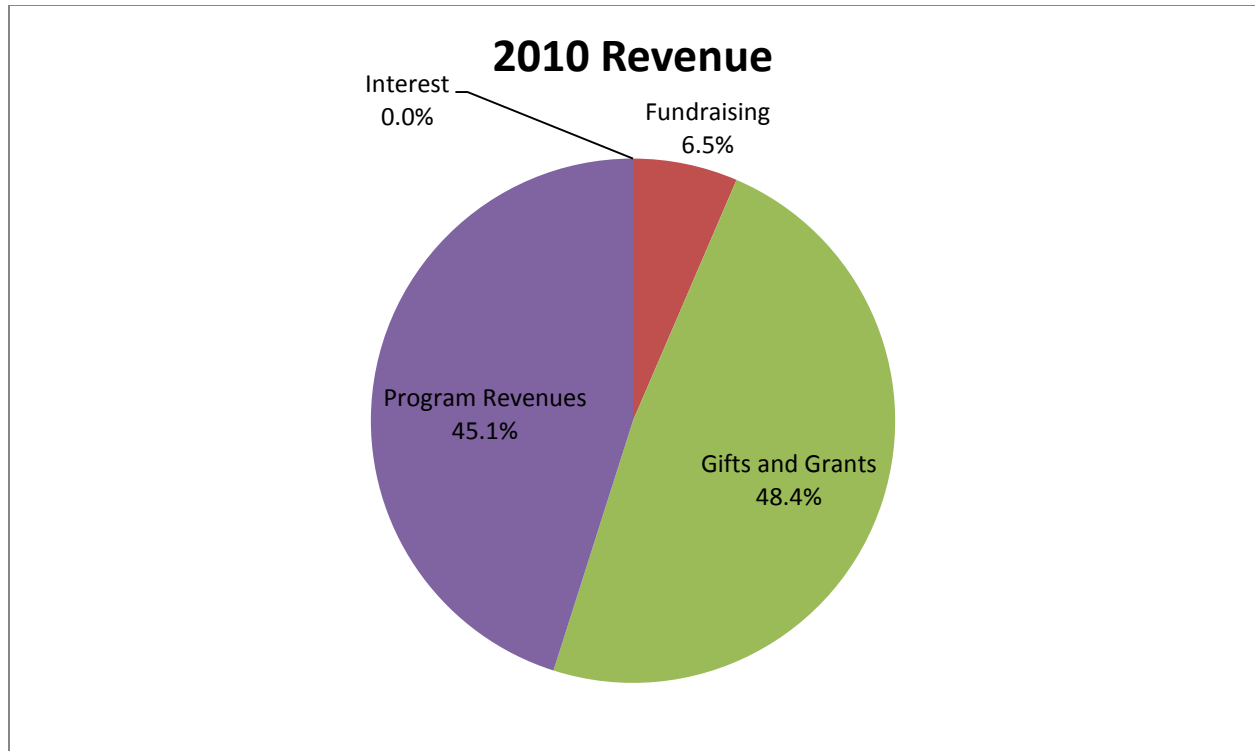


**Approximate**

**Subscribers:** 90

**Ticket Prices:**

\$17 – 21



*Sources: Survey Results, IRS 900s, Paragon Website*

## Overview

Paragon Theatre formed in 2000 as a group of like-minded artists sought to create an ensemble-based company. Founding member and current Production Manager Wendy Franz explains: “We wanted to do a truly ensemble-based theatre company, very much in the style of Steppenwolf Theatre in Chicago [...] what that meant to us was an ensemble collective of people with diverse talents and preferably people with multiple talents [...] the ensemble would drive the whole creative vision of the company and the way that the company works” (Interview). The company wanted to make sure that the ensemble was the center of as many decisions as possible rather than use a traditional top-down model with an artistic director. Their hope was to break down the barriers between production and administration: “The point is the way we work. All of us worked in theatres professionally around the country, and there was quite a strong division between the creative (which really meant actors and directors) and the technical. There was a large chasm in our professional experiences and we felt like it was a false dichotomy.”

The company always intended to be a professional one, though not in the sense of forming a traditional regional theatre. “We weren’t going to say we all want to be Equity at a certain point. That has not ever been our intention” (Franz Interview). Instead the goal was to build a strong company capable of doing consistently high quality work. The past decade has not changed this basic model, although many other aspects of the company have changed. Paragon has been a nomadic company over its existence, moving between five different venues in the Denver-Metro area, but has still managed to gain a significant following. In early 2012 it opened its latest facility on 2810 Larimer St. with a production of *Miss Julie* (Paragon Theatre). It is best known for its focus on intense dramas such as *Long Day’s Journey into Night*, though it



occasionally delves into comedies along the lines of Stoppard's *The Real Thing*. The company produces a season of four shows annually between January and October.

### **Production and Structure**

Paragon has always been an exercise in carefully managed growth. The company incorporated in 2000, but took a year to build infrastructure and plan before actually producing its first show. It has a core creative ensemble of twelve artists who are consulted on all the major creative decisions in the company (Franz Interview). About half of that ensemble is also a member of the executive ensemble – a smaller group that focuses on regular operations and administrative work. “We went to that model because we found in the day-to-day operations of the company you just can’t ask everybody for all of their opinions on every decision that’s made. With ensemble consent we formed that smaller group” (Franz Interview). The executive ensemble now sends out information as they make decisions about standard operations, giving the full ensemble a chance to weigh in. Neither ensemble is directly paid for their administrative work with the company; instead all are offered pay through their work on productions.

The shows at Paragon have traditionally run about five weekends, with three to four performances each weekend, with a total of 15 – 18 shows per run. However, the company has decided to change this model. “Next year we’re going to have the same amount of performances per show, but they’ll be compacted into 4 weekends [...] we’re going to add Sunday matinees in, which we haven’t done for years” (Franz Interview). In addition to their four main shows, Paragon also produces three to four staged readings each year through its series, “In the Trenches.” These readings typically feature Colorado or other Western state authors.

The company finds that its biggest production expenses are for space rental, then typically rights to perform the shows, followed by independent contractors which make up the

artistic employees on any given show. Other than that, Franz describes a very limited staff: “We have one salaried employee, and that’s a part-time development director [...] but apart from her, everyone else is paid as an independent contractor” (Interview). Some front-of house staff is paid on an hourly basis. Everyone is offered a stipend for production work, but typically ensemble members don’t take it. “Most of us that run the company... [sic] I could take the stipend that we pay an outside director, but I would rather have a cool set, or a particular stage manager that we’d like to be able to afford. I’d rather that money go into the production values, but it’s a personal choice that each of us have to make, and we don’t pressure people to make that decision.” Franz says her ethos extends to most of Paragon’s ensemble members. Non-ensemble members typically do take their stipends, which vary in scale based on the job the person is performing:

We put more money into people that have to run the show, so their bulk of time they spend on it. And we look at satisfaction of experience as currency. So designers tend to get more, for lack of a better word, fun out of their experience [...] whereas the stage manager and ASM, they’re doing a huge amount of work and typically it’s more thankless [...] So we do these not scientific but hopefully equitable calculations. (Franz Interview)

The biggest cost for Paragon, performance space, has also been the piece of the production puzzle that has varied the most in their history. The company has performed in privately owned theatres, a city-owned venue, and even a dance studio over the past ten years. They have been both the sole tenant of a location and one of several organizations trying to work in the same space. Franz says the company was able to make each venue work, but

acknowledges the general difficulty of moving from place to place and dealing with the quirks of each individual venue. Her comments are illuminating with respect to the difficulties both of a tenant theatre company and as a company without a permanent home:

Space has always been at a premium in Denver as far as performance spaces that were ready to go. The Phoenix was a good location in some ways, the location itself [...] but the space was not taken care of well. The thing that, I think, Denver really suffers from is it's hard to manage a facility, and most of the facilities have not been fully retrofitted and they don't have the infrastructure and personnel. The landlords of these spaces don't have the personnel to maintain these spaces and keep them in good stead [...] Either we ended up moving out because we had to because the space was going to be taken over by another entity. The same thing happened at the Crossroads, that was a great space in a lot of ways, but the fellow who had built it out literally took out a mortgage on his home and got in a really bad financial situation, and ended up being taken over by the city because of the debts he couldn't pay off. We were not interested in the terms that would be demanded by [Arts and Venues]. That doesn't work for the season we want to run, and time slots are always a big challenge [...] The Acoma's a great and interesting space as well. But Curious was still in its first years, we were in our first years. Everybody wants to be building more shows into its season. That's always a challenge as well: you want to share and collaborate. At the same time you're both building your brands and that can be difficult [...] Kim Robards Dance was an experiment: Can theatre and dance share a space and coexist successfully? The answer for us became no, because dance needs a big open space, right? Theatre, you want a fixed set that's going to sit there for five weeks and be perfectly set up for your shows every weekend. Setting up a full set and then

striking it every night is a really challenging problem, and it means that you can't do as elaborate or effective of a set. (Franz Interview)

A variety of pragmatic concerns, different for each space, caused different problems in each location where Paragon moved. The Phoenix was poorly maintained, Crossroads became prohibitively expensive, Kim Robards Dance didn't work well acoustically or as a theatrical space. In the Acoma Center, the performance hall was actually too large for the intimate work they preferred. One of the highlights of renting their current space on Larimer is that the company was able to plan and construct their own venue within the building. This opportunity allowed them to draw on their experiences from their previous locations and craft a performance space that best fit their needs.

### **Box Office, Marketing, and Season Selection**

Season selection, a matter that the ensemble tackles as a group, has always been a challenge, according to Franz. One exercise that the company found very helpful was defining their aesthetic: "Our core values are honesty, intimacy, and being bold. So we look at that [...]" When we figured out that what we do really well is a group of people trapped in a room together fighting for what we want, that has helped us figure [our strengths] out" (Interview). Paragon is true to this format, seeking out intimate plays, usually dramas, which revolve around a family or a small group of strongly connected individuals. More weight, for financial purposes, is given to smaller casts. Franz laments that while Chekhov and Ibsen are authors they would love to produce, it's hard to justify a stipend for an actor who may only have five minutes on stage. Paragon also employs some Equity actors, which is considered in season planning:

“In terms of the size of the shows we’ll do, in terms of number of cast members, the types of actors we’ll demand [...] *Who’s Afraid of Virginia Woolf* is a perfect example. It’s a small show, which is great, four actors, but we knew the role of George was going to be a hard role to cast, we needed someone really top notch. And we had a feeling that Sam Gregory, an Equity actor from the Denver Center, might be the best choice for that role. So we knew we were going to have to budget in an Equity contract for that show. We’ve done that a couple of times.” (Franz Interview)

Marketing each show is a fairly standard affair for Paragon, which spends about \$2,000 on producing and distributing collateral for any given show, oftentimes with in-kind support from a printer or publisher (Franz Interview). The company also focuses heavily on social media to reach its audience. Franz notes, “We have one person who’s designated component of marketing is our Facebook, Twitter, MySpace when that was relevant [...] part of her job is to make herself familiar with all the new things that are coming up online, be it Groupon or whatever, and explore if it would make sense for us to participate in them.”

Much more important to them, however, is the process of presenting their plays as a package, and creating a centralized brand identity for the company. At this point, Paragon has a well-defined plan for announcing their season:

Typically in the fall we announce our season. We give the exclusive first press release to the [*Denver*] *Post* and it trickles through the rest of the media that way [...] from there, we have the components of email blasts, usually we launch our new website in January [...] and we usually do a small run of season brochures with our season designer who will

design the whole look of the marketing campaign for our season. That's always been a huge part of our identity. (Franz Interview)

The season subscription campaign itself kicks off with a sneak preview party for VIPs and previous and potential subscribers. At this party, the company will present in-rehearsal scenes from the season's upcoming productions and have ensemble members discuss each show and why it was chosen. "Everybody gets a teaser of our shows for the season. We sell the bulk of our subscriptions for the season at that event." By creating a season-centered event, Paragon hopes to develop interest on all of its shows, rather than attempting to sell them one at a time.

Franz is clear that Paragon has had difficulties defining its target market, but despite this her knowledge is based on far more data than most other Denver companies attempt to collect:

We learned from people who know much better than we do in business that how to target that market is all dependent on capturing data: where they live, how much they make, all those kind of factors. A lot of the data we had up to a couple years ago was anecdotal [...] until we started with Vendini [box office software], we didn't have a good database of both our patrons and our donors [...] It's funny because people have this perception, 'They're hip, they're downtown people.' Well actually a large portion of our audience is from the suburbs. People have these anecdotal perceptions that when we look at the numbers actually end up being very different [...] I don't think we're anywhere close to knowing 'This is our person.' [...] we definitely need more data." (Franz Interview)

Franz's comments on anecdotal perception versus reality and the fact that she doesn't believe that Paragon has fully identified their demographic belie a focus on data-driven marketing that

no other theatre company mentioned in their interviews. Paragon uses its ticketing software to actively track where its patrons come from, how much they spend on tickets and donate, survey responses, and more. This database can be a valuable tool in defining new markets to target, to tell where marketing might be most effective, and more. Obtaining this patron data is also much easier for Paragon because it directly controls its own box office software. Many smaller companies outsource box office duties to the venues where they perform, or use a simple or home-grown box office system that does not emphasize data collection. In contrast, Paragon has a strong ability to accurately target its patrons.

Franz does admit that the aesthetic that Paragon has chosen is limiting, and that that might limit their ability to attract an audience that likes to laugh: “Often the stories that are honest, intimate and bold are not comedies. We definitely do more hard-hitting, visceral stuff [...] We love comedies, but it’s very hard to find comedies that have the teeth” (Interview).

### **Fundraising and Finances**

Without naming a specific figure, Franz suggests, “Typically we have had some savings earmarked for a rainy day” (Interview). The company does have a strong track record of fiscal stability, running a significant deficit only once in its history. In many ways Paragon keeps its budget small in order to avoid the possibility of creating a deficit it cannot make up. The company often works with other local theatres to arrange trades for production materials. It also is able to control its production expenses through the voluntary refusal of stipends from its ensemble members. This may also be a deciding factor in why the company did not choose to purchase a venue for itself: “We’ve wrestled with that question over the years [...] we came to the conclusion after doing a lot of research on capital campaigns that we’re not at the place

where we want to own and have a mortgage, but we did want to take the next step of being the sole lessees of a space.”

Like the clarity that came to season planning when Paragon identified its production aesthetic, Franz found the completion of Paragon’s business plan transformative in the company’s ability to target and acquire funding:

In the early years [...] grant writing, development, that kind of thing is such a mystery, because it’s something that you do not learn in school when you study theatre [...] I think a huge step for us was about year three of the company, when we had a fantastic board member who was an entrepreneur who had an MBA from DU [...] she goaded us to complete our business plan [...] It was so amazingly helpful because it really changed how we looked at our mission and how you represent yourself [...] suddenly we had a means to talk to granting agencies that most companies don’t, and didn’t even know that they needed to. As we learned how to do that, we [learned] we shouldn’t be presenting anything as ‘Hey, we want to do this because we want to do it and it’s cool,’ but ‘How does what we do benefit the community? [...] What plays do we have in the community, and what is specific about us and who we are and what we do that’s needed in the community?’ [...] Suddenly the way you should word things in grants just fell into place. (Franz Interview)

Even with this clarity, grants can still be a frustrating long-term process for Paragon. Grants are not easily won, and Franz suggests persistence is a major factor: “It’s definitely a chicken-and-egg thing and you have to keep at it, earning a few inches one year, so that they’ll go, ‘Ok, here’s your inches, we’ll give you a few thousand dollars” (Interview). To supplement



grant income, the company also engages in a variety of unique fundraisers. As an annual event, the company holds a “Bowl-a-Thon for Paragon,” which, true to its name, involves supporters packing a local bowling alley. The company also hosts an occasional “Mis-cast” fundraising event series that features popular local actors performing scenes and roles they would never be able to play. The actors in these performances are actively cast against race, gender, age, or other considerations, allowing a performer the opportunity to take part in an impossible dream and the audience to take in an unrepeatable event. Finally, Paragon is active in “Beer Bust” fundraisers at the Denver Wrangler, a Sunday afternoon event, which Franz explains in detail:

You have to provide the pourers for that day, and for a certain amount of time [...] patrons pay, I think it’s eight bucks, and they get unlimited beer. Your organization [...] provide[s] all the pourers, so the Wrangler doesn’t have to pay any people except their regular bartenders, but they have this massive influx of customers [...] and then the proceeds from the beer goes to the company. We actually make quite a bit of money that way, because we just have to rack up all the volunteers. (Franz Interview)

### **Long Term Planning and Growth**

In Franz’s eyes, the best way to improve Paragon over the long term would be to grow enough to support more significant staffing. However, the company is not interested in turning its entire ensemble, or even its executive ensemble, into full time employees; most of the ensemble members are happy with their current work, home and theatre lives. Instead, Franz sees the value of only elevating a select few administrative positions to paid status: “It’s been a huge advantage to have a paid development director [...] we could do even more if she was full time. We could do even more if we had at least a part-time paid marketing manager”

(Interview). Another area where Franz would like to increase stipends is in the less-glamorous roles of production. As a specific example, she cites technical direction: “Mike Haas builds all our sets for us [...] he’s fantastic and delightful to work with. But still, we only have a small amount of money to pay him, so we work hard to be respectful of his time and only need him for a certain amount of hours, whereas it would be fantastic to say you get a certain amount of money a month and you’re the regular TD.” The idea of targeting specific roles for growth not only gives a more specific goal to Paragon in its development, but also falls in line with the company’s interest in focusing their mission, aesthetic and season planning. Paragon seems to prefer the idea of carefully managed growth that best assists their organization, rather than trying to move in several directions at once.

Overall, Franz is bullish on the theatre community in the Denver-Metro area, and is happy to see other parts of the community grow, as long as they commit to having their own strong identity:

I’ve seen a lot of theatres come and go in the Denver scene, but I think because of that a lot of people that were part of a company that folded have learned some good things and are creating, hopefully, stronger companies now [...] I think an active thriving and struggling arts scene is always a good thing [...] I think there are too many companies that start out having no idea what they’re doing. We all learned how to put up plays; but if you want to have a company you need to learn about and establish the business stuff first. We had our nonprofit status a year before we did our first show, and that kind of thing is crucial [...] what are your boundaries? Are you going to sacrifice your family’s home? [...] When a new company opens, I have the same question everybody had for us

when we started eleven years ago: why do we need another one and what's unique about you?" (Franz Interview)

Franz also sees cultural resurgence in Denver as a result of renewal projects over the past ten years. To her, Denver has become a much safer and healthier city: "The first place we ever rehearsed was North Denver near five points. And it was terrifying then. We literally had homeless people walking in, there were shots fired on the street. Now you walk down there and there are coffee houses and it's pretty fancy." Franz points to the additions of residential districts into Denver as signs of a change in the city's climate for arts and culture. She also points to the rapid growth of Curious Theatre as a positive influence on the theatre community. Its stronger presence on the national theatre circuit, commitment to quality work, and its ability to raise the bar for all theatre in the community have been helpful in the growth of many companies, including her own. To her, these are vital components from which Paragon has already benefitted, and will continue to do so as long as the company stays true to its own mission.

### **What Went Wrong? - Paragon's Closing**

As mentioned in this study's introduction, on March 6<sup>th</sup>, 2012 Paragon Theatre announced suddenly and unexpectedly that it would permanently cease operations after its production of *Miss Julie* closed on March 18<sup>th</sup> ("Paragon Theatre to Close Doors"). The main reasons cited for the company's closure in the press release were unforeseen building code issues and the strain on the company's limited volunteer administrative resources. This was a complete reversal of the stable and growing state the company appeared to be in in late October of 2011 when I had conducted my initial interview with Franz. I was able to exchange emails with her

on March 6<sup>th</sup> in order to better understand how such a sudden change could have been possible within the company.

One point Franz stressed was that Paragon was only closing as a result of issues with the renovation of their new space, and that otherwise the company was still well managed:

The facility issues were definitely the crucial factor. We have actually sold the most subscriptions EVER [sic] this year and *Miss Julie* single tickets are selling really well. We have always run very lean on marketing costs and had not incurred increases in that area or in other operating costs. The facility project just ended up being such a larger and more constantly changing beast than we had anticipated, that it drained us of our main precious resources outside of our terrific artistic and organization skills: money and time.

(Franz, “Paragon’s Closing”)

Paragon was aware that there would be renovation and code issues with their space when they agreed to lease it in October of 2011, and had saved approximately \$10,000 for renovations. This was a \$3,000 buffer over their architect’s initial plan which included ADA and facility renovations. They also hired an electrician to upgrade the layout of the building for theatrical lighting, a structural engineer to approve seating platforms, and conducted multiple walkthrough inspections with their architect and contractor.

Franz then describes a back-and-forth series of meetings with the City of Denver Building Department and Fire Department, where they went through several rounds of submissions: “Many of the revisions were reasonable and expected things like exit sign placement and emergency lighting. But each time we heard back from the City building dept., they would change what ‘the last few things’ needed were in order for them to finally sign off on

the certificate of occupancy and then they would add things that were never an issue before” (“Paragon’s Closing”). By January of 2012, the costs of the renovation under the city’s requirements had ballooned to \$19,000, well over Paragon’s initial estimate and saved funds. In a board meeting, Paragon’s board voted unanimously to go forward with the renovation and donated the remaining funds to cover the additional costs.

“At that point we thought we were at the ‘crossing t’s and dotting i’s’ phase of the project,” explains Franz, “Then the Monday after opening *Miss Julie* the City dropped the bomb [...]” (“Paragon’s Closing”). The “bomb” Franz describes was a last-minute change in occupancy for Paragon’s new building, originally set at 88. The city had decided that Paragon had to consider simultaneous occupancy of the theatre’s lobby (which was estimated at 160) and the theatre space itself, pushing the occupancy maximum from 88 to 248 and requiring the installation of a new bathroom. The expense for installing a new bathroom was estimated at \$15,000 - \$30, 000, or 14 – 28% of the company’s total 2010 revenue, on top of the \$19,000 the company had already spent. Paragon tried to negotiate with the city, arguing that they would never put a large mass of people in the lobby while a performance was taking place, but the city insisted on the new occupancy numbers. Franz describes this as “the straw that broke the camel’s back,” a huge cost increase that could easily double the size of the already over-budget project. In addition, the project was becoming time consuming due to meetings:

[O]ur top management was literally spending 4-6 hours every day working on the facility issues. This was in addition to the weekend and evening hours that we had all planned on spending to put in the sweat equity required to complete the projects we knew about. This got to the point where the facility demands were impeding on our day jobs, which has always been an important boundary for all of us. (Franz, “Paragon’s Closing”)

The company felt these costs, both financially and time-wise, were impinging on the ability of Paragon to operate effectively. The financial costs of the renovation were too great for the company to take on as debt, and after already tapping their board they did not feel they could raise enough funds effectively. After failing to receive any lenience from the city building department, the executive committee recommended to their board that Paragon shut down, which the board agreed with unanimously.

Ultimately, the closing of Paragon does seem like a case where the company had taken reasonable precautions but was hit with an unreasonable number of setbacks. There are three significant decision points in the renovation's timeline that could have been reconsidered, though they each have their drawbacks:

- **The company could have continued leasing a finished theatre space until it was in a better financial position to renovate a theatre.** More cash reserves would have undoubtedly been helpful to any renovation, but it would also take time to save up those reserves. This could have meant Paragon staying in its last venue, Kim Robards Dance, or it could have meant finding another space that was already performance-ready. In the meantime, Paragon could have built up more capital for a renovation, which would have made it less vulnerable to the cost issues it faced when converting a non-theatrical space into a theatre. This would have been a tough call for Paragon to make. As Franz mentioned, their current home at Kim Robards was not a good fit; the company was struggling to meet its production standards in a space where it could not implement a fixed set, and the acoustics of the space were poor for theatre. Finding another ready-to-go venue in Denver that the company could afford would have been a significant

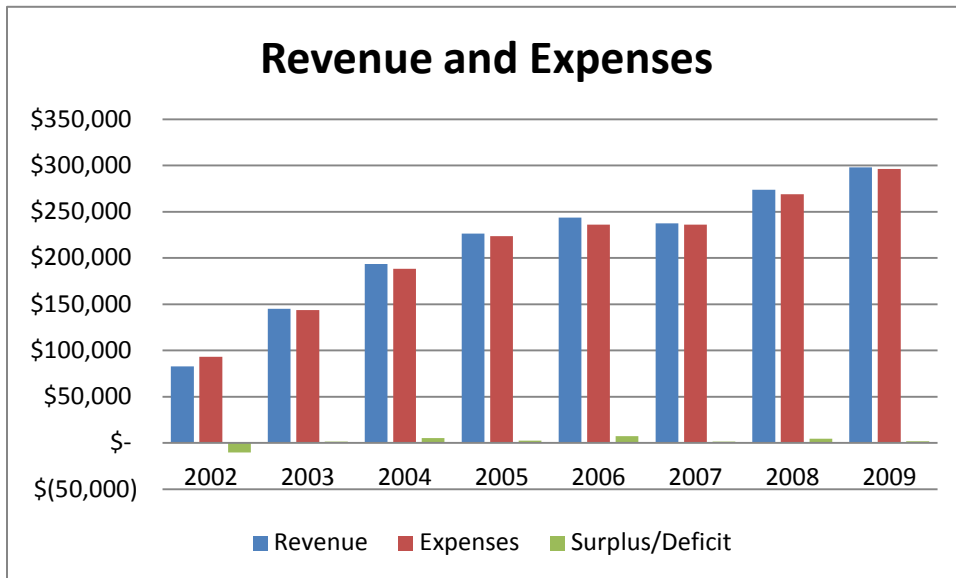
challenge as well. Space has always been a major issue throughout Paragon's history, and the company was clearly pleased to have their new venue as a potential solution. If they waited to move on this location, they risked both losing their dream space to another lessor and slogging through another season where they had to struggle to meet their own high production standards.

- **The company could have waited until the occupancy certificate was signed before starting construction.** It is not uncommon for construction to begin on a renovation that still requires city approval where an in-principle agreement is already in place. However, in this case Paragon knew it was operating on a limited budget and had little room for a major expense should it arise. This could have protected the assets of the company as the project's cost started to rise. There are some major drawbacks to this approach: first, that because Paragon was leasing the space it would still have to pay rent in that location whether or not the renovations were occurring. Also, if the company wanted to continue producing plays while the occupancy matter was settled, it would have had to rent a second performance space, which would have meant additional expenses. As a result of the additional rent costs, it's quite possible that even a conservative approach like this would end up just as expensive as the proposed renovations. There is also still no guarantee that the company would have been able to afford all the renovations that the city required.
- **The company could have gone dormant while trying to raise money for the remaining renovations.** While \$15,000 – 30,000 is no small sum, it might have been possible for Paragon to raise this amount of money through a series of fundraisers. During this time, the company would have to remain dormant and delay or cancel its season in order to comply with city codes. There are plenty of concerns on this path as

well. Again, the company would still be incurring some costs as a result of paying rent on an unused space. As Buntport and LIDA project both mentioned, it is difficult for a non-profit to raise money to pay for an expense like building improvements when it is improving a building it doesn't own, because the landlord and not the company will benefit from the long-term built-up equity resulting from the improvements. This could also have major public relations consequences for Paragon, which would have to explain to its donor and patron base why it was halting theatre productions. They would almost certainly suffer some attrition in attendance as a result of a long dormancy. The final concern is that it is possible the money would not be raised, and that Paragon would simply be throwing their reserves into renting a building that would never be used.



## Profile – Stories on Stage



### **Fast Facts**

**Years Existed:** 11

### **Annual Season:**

9 Productions in  
Denver, 3 in  
Boulder

### **Season Span:**

September – May

### **Venue Size:**

Varies, 250, 300  
seats.

**Part-Time Staff:** 0

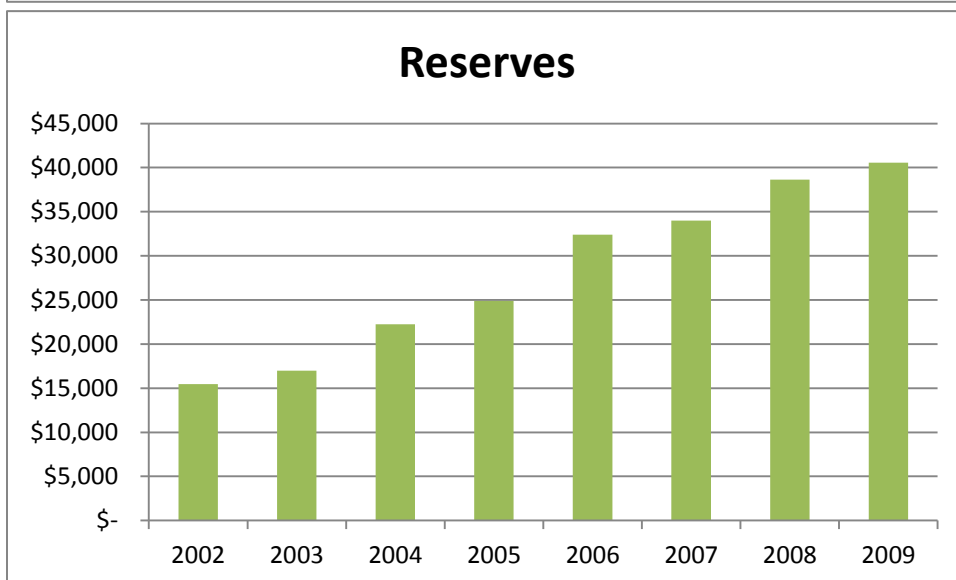
**Full Time Staff:** 3

### **Approximate**

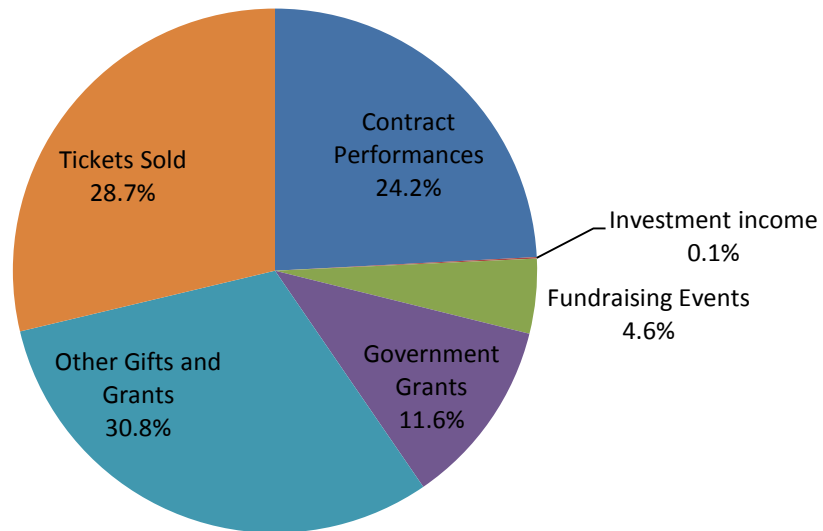
**Subscribers:** 350

### **Ticket Prices:**

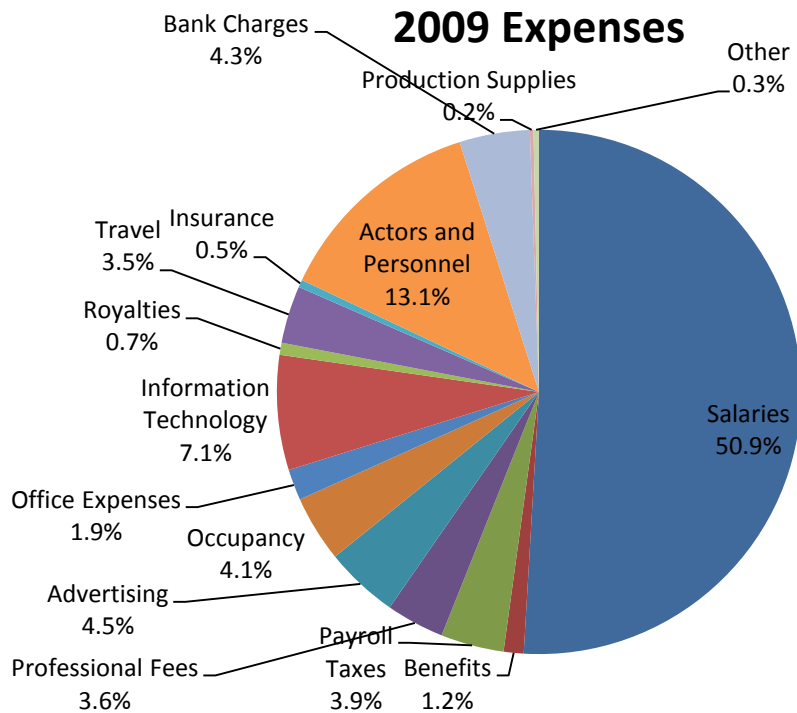
\$0 – \$25 (Most  
tickets at \$25)



## 2009 Revenue



## 2009 Expenses



Sources: Survey Results, IRS 990s, Stories on Stage Website.

## Overview

Abbe Stutsman, the Executive Director of Stories on Stage, describes the basic scope of her company succinctly: “We are pretty close to reader’s theatre. We say that we blend literature and theatre to create theatre of the mind, allow people to use their imagination [...] when you hear someone else’s story, you begin to understand what their lives are like.” In practice, this translates to a unique, minimalist performance that usually involves no more than a single actor, a script on a music stand, and a rug for some color. While in season, Stories on Stage presents about one show a month that features three to four short stories read aloud by actors. The company selects stories from a diverse range of authors; past seasons have included selections from *The New Yorker*, Daniyal Mueenuddin, P.G. Wodehouse, Sherman Alexie, Isabel Allende, Abbott and Costello sketches, Amy Tan, and Dylan Thomas among many others. Similarly the group draws actors from a variety of arenas featuring a number of Tony award winners, regional theatre actors, featured actors and regulars from films like *The Matrix* and television shows like *The Closer* and *24*, as well as a significant amount of local Equity and non-Equity talent.

Today, Stories on Stage’s programming is based out of the Denver Civic theatre (the building that houses Su Teatro), though the company also has occasional performances at the Dairy Center in Boulder, the Lone Tree Arts Center, and at the Denver Center for the Performing Arts (Stutsman). Stories on Stage has collaborated with other local companies including Buntport, Curious Theatre, and the Denver Center’s National Theatre Conservatory to stretch beyond its basic model. The company has also worked with groups such as the Colorado Autism Society, Exempla Healthcare, and the CeDAR center of Denver to create shows geared toward Autism, cancer treatment, and the addiction and recovery process (*Stories on Stage*).

## Production and Structure

Stories on Stage had the advantage of its founder knowing exactly how to start a theatre company just like it. Stutsman explains that the company's basic business model was well-established by another organization, and that the company's founder, Norma Moore, had already set up a similar company before she started this one:

Selected Shorts out of New York City; I think that's sort of the grandfather of all these types of programs. They have taken it to a fine art, and being in New York City they have the run of all these great actors [...] Norma and Randy Moore lived in Dallas. They and someone else started Dallas Arts and Letters [...] they took as their model Selected Shorts. When Norma and Randy moved to Colorado [...Norma] brought it into Colorado and started out the first year with a couple of shows and built it up from there. It was what they already knew, so it became a fairly easy segue for them.

Stories on Stage did have to adapt its model significantly, as Denver was not nearly as large an entertainment hub as New York or Dallas; casting and actor transport became areas where the company quickly had to adapt. Stutsman explains that other companies in other cities have since been based on Stories on Stage, having seen how successful the company could be in a smaller city like Denver.

All of Stories on Stage's shows are structured as one-off performances, although the same show may be performed in multiple locations (*Stories on Stage*). In general, the structure of each show is the same: the artistic director of the company acts as an emcee for each show, welcoming the audience and providing actor and author bios to the audience before each story. Most of the time, production needs are minimal. Stutsman quips, "All we need is a rug and a

music stand.” The bigger issue tends to be coordinating actors and stories. Rights must be obtained to read each story live, usually by offering the author or his or her estate a \$100 honorarium. “When we’re selecting pieces, there always has to be the thought of what are we bringing to people, how are we improving lives, how are we being diverse and inclusive?” (Stutsman). Then, casting becomes an issue. Actors, according to Stutsman, are very difficult to find: “Sometimes you just need a special actor to do pieces. There are only so many really good actors in town. We don’t use anybody, usually, more than once [per season], and with the Denver Center going to [performances on] Sundays, it has put a bit of a damper on the number of [actors] we can use.” Because the company is only using actors for one day of work, it can be difficult to schedule a particular actor if that person is already working. Other jobs also tend to take precedence for the actors; recently one actor had to back out of a performance because he was called back to the set of a movie for additional filming. This often leads to last minute re-casting and “pinch hit” stories (Stutsman). In-person rehearsals are brief; usually Powell meets with each actor an hour or two the week of the show, though the actor is often emailed a copy of their story weeks in advance. Actors are typically paid an honorarium of \$500 for two performances, plus hotel and airfare if they are traveling from out of town. Because the company is only producing readings of non-theatrical literature, and only performing for one day, it is able to skirt by most union requirements when it uses Equity actors.

Commissioned projects are generally a more involved affair, as Powell has to meet the needs of a given commissioning group. Stutsman provides an example: “We did a contract performance with the Colorado Autism Society. Through three books written by different family members, with the other member of the family being profoundly autistic, we create a program for those guys, and that was a contract show.” Creating this show required the blending of three books into one storyline, and required several days of rehearsal for five actors at once. Other

projects have involved collecting and editing interviews or compiling obituaries. In all cases, including traditional fiction, these stories have to be prepared in a way that is theatrically effective. “There’s a zillion stories out there and they tell a good tale, but when you read it, if it’s not going to carry through to the audience, and it’s not going to engage them even though it could be an engaging story reading it on the paper, then it’s something we’re not going to use. If it falls flat, what’s the sense of doing it?”

### **Box Office, Marketing, and Season Selection**

Stories on Stage offers a standard ticket price of \$25 to any event, and a \$15 student rate (Stutsman). Some of its collaborative or commissioned events are free, and in some cases rather than collecting ticket revenue the company is paid a flat fee and its performance is used as a fundraiser for another organization, as it was with the Colorado Autism Society (Stutsman). Stutsman points out that the company also has a strong commitment to keeping itself accessible. “We have a program called ‘Lo-dough,’ which I think is pretty unique in the area, where we welcome anyone to come and if they can’t afford the \$25, they can pay us whatever they want. And actually, last show, somebody gave us a buck.” Seasonally, the company offers subscriptions and five-ticket flex packages at a discount from regular prices. On the other end of the scale, the company offers a premium subscription that it calls a “Benefactor Pass,” which includes reserved premium seating, invitations to special salon performances, and includes a significant tax deductible contribution (*Stories on Stage*). The idea of a premium subscription is particularly interesting because Stories on Stage is able to translate minor perks into significant additional revenue: a full benefactor subscription costs \$100 more than a regular subscription but places almost no additional costs on the company.

In selecting a season, Stories on Stage often have to contend with the fact that they work around other companies:

The fact that we don't have our own venue makes us slaves to other people's schedules.

As a case in point, I called Su Teatro today and just left a message to see what their season looks like. I can pretty much guarantee you that they don't know what their dates are, and until they set their season, we can't set our season. And that leads to problems at other venues, because everything is driven by the dates down in Denver. (Stutsman)

The company also starts to plan out its costs along with its season selection. The biggest cost tends to be the number of out-of-town actors the company may need. "We know we're going to have three to four actors per show, we know how many shows we're going to have. So a lot of it revolves around the number of out-of-town actors we can bring in. We've been very lucky this year with Southwest Airlines and Hilton Garden Inn [as sponsors]. But without that, that becomes a much bigger expense." Venues can also change the cost of a season dramatically. Stutsman says performing at Su Teatro typically costs the company \$500 for an all-inclusive performance day. In contrast a day at the Denver Center requires the hiring of IATSE employees as subcontractors and front of house staff plus the cost of venue rental itself, and can total over \$1,500.

Stutsman says she has a very clear idea of Stories on Stage's demographic: "It's pretty much Caucasian, it's pretty much a more mature audience, and it's pretty much middle to upper-middle class [...] they tend to be artsy folks, I think they tend to be readers, probably a lot of NPR people." A major problem the company has is that as a one-day only performance, it is always difficult for them to get reviews, and marketing is their only way past this hurdle.

Themed programs are a major way that Stories on Stage tends to move past this base demographic. Programs in the past have featured local authors, science fiction, and flash fiction (stories that can be read in less than 3 minutes) among others. Stutsman also uses ad trades and media sponsorships with major papers and public radio stations and makes regular use of e-blasts to their mailing list. Because of the company's low marketing budget, though, theme programming and word of mouth tend to be the company's best method of drawing in new audience. But Stutsman worries about the audience base she has dwindling:

We're finding it difficult to continue to grow audience because there just seems to be so much heat on the base, the same, in Denver maybe it's 10,000, the same people that are doing cultural activities. The number of cultural activities is growing and I'm not sure that the base is growing so much [...] Frankly, a lot of our tried-and-true has already tapped into all their friends, and it tends to be an older, more mature audience. At some point, they don't come anymore, because they're not able to.

Stutsman sees lot of cross pollination between Stories on stage and the DCPA audience, as well as some Curious subscribers, but she also notices major crossover between her markets and non-theatre events like Opera Colorado and the CU Presents series in Boulder which can affect attendance significantly.

### **Fundraising and Finances**

In general, Stories on Stage has a fairly predictable budget, according to Stutsman. Production and staff are their biggest costs, which are fairly stable from year-to year. To protect itself from loss, the company has a small cash reserve, but it also has a separate managed



financial account for long term savings. “We try every year, as best we can to make it go up a bit [...] Unless we had something devastating where we have no income for a whole year, we should be fine for a good long while.” When asked how often these long-term savings are used, Stutsman says, “We’ve really never had to go into [our savings], we just try to learn from our mistakes.”

One major aspect of the company’s fundraising efforts is its investment in sponsorships. Any actor, story, or an entire program can be sponsored by an individual donor. In addition, the company looks for seasonal partners and airline and hotel partners to defray the costs of out-of-town actors. Stutsman looks to fill as many of these slots as possible for each performance. The sponsors are recognized in the Stories on Stage program, but because of the Artistic Director’s role as emcee, the company is also able to directly announce sponsors from the stage for each program. Stories on Stage’s segmented and presentational format caters well to the idea of sponsorships, because clear thanks can be expressed during the show to the sponsors and all of the company’s patrons.

### **Long Term Planning and Growth**

Though she believes that the organization is about the right size, both in terms of staffing and budget, Stutsman has a list of ideas for expanding Stories on Stage in the future: “Do different kinds of shows. Integrate more the digital storytelling, integrate younger groups, try to expand that. Try to do as many special shows as we possibly can [...] We did something with Colorado Music Festival last season and they want to do something this year.” Many of these events show some promise, especially the ones which involve crossing over with other mediums. However, this enthusiasm for expanding the company is also met with some trepidation. Her

biggest worry is that there are too many non-profits competing for a small audience base (or at least for her own), and worries about cultural saturation in the area.

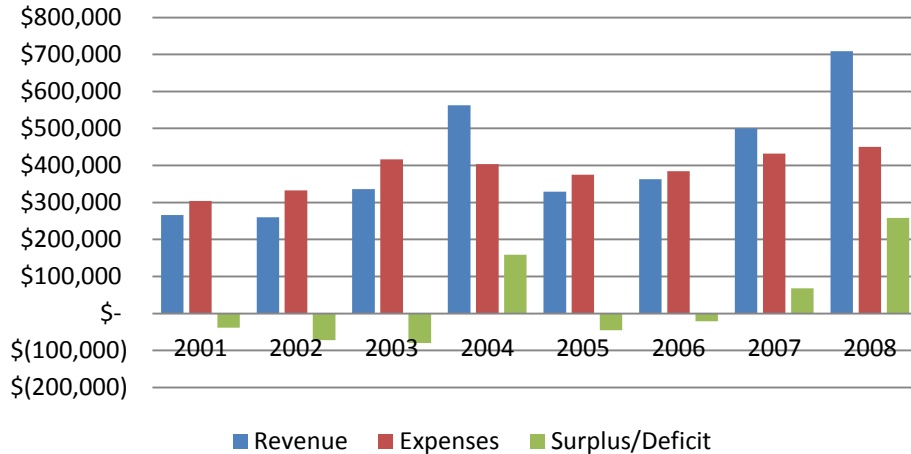
There seems to be so much going on every single night and every day [...] a couple of people have said to me that the SCFD has been a positive and a negative, because it allows so many groups that are not as professional to take a big piece of the pie and keep going on and on and on when maybe it should be more the survival of the fittest [...] what happens with SCFD will be interesting when they come up for reauthorization [...]

There's a lot of heat on the same group, and there's so many different people vying for their attention.

Stutsman's point about the number of non-profits is well-taken. There is no doubt that the number of Tier III organizations has grown significantly in the past ten years (De Nileon 16). The audience being drawn in to these new organizations may well overlap with the audience of Stories on Stage, which would create significant amounts of new competition for the company. If that is the case, the challenge for Stories on Stage is to prove its value above these other arts organizations to its constituents, or to find an effective way to bring new patrons into its base.

## Profile – Su Teatro

### Revenue and Expenses



### Fast Facts

**Years Existed:** 40

### Annual Season:

Varies; usually 4 plays, 3 festivals, and 3 guest artists.

### Season Span:

October – May, sometimes with a separate summer season.

### Venue Size:

Two venues, 300 and 100 seats

**Part-Time Staff:** 4

**Full Time Staff:** 4

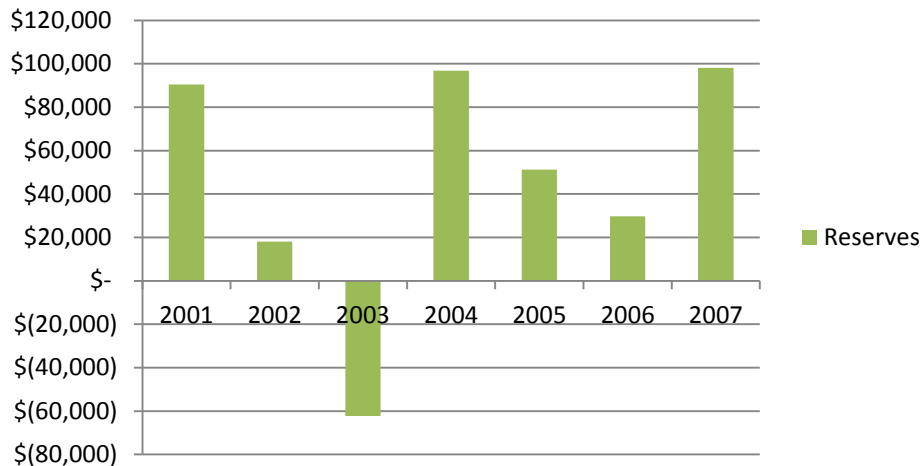
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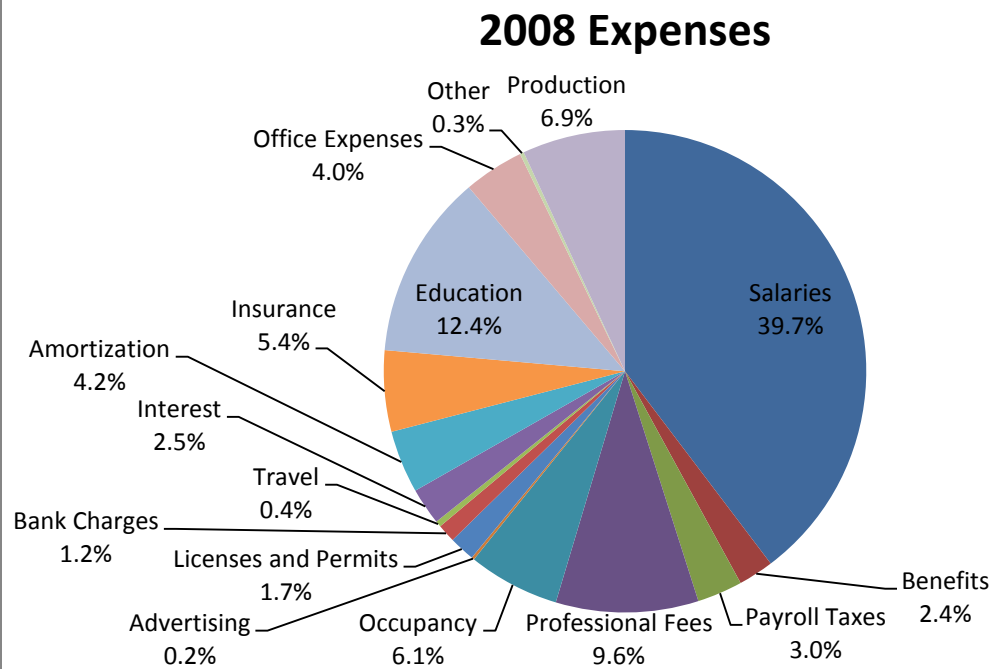
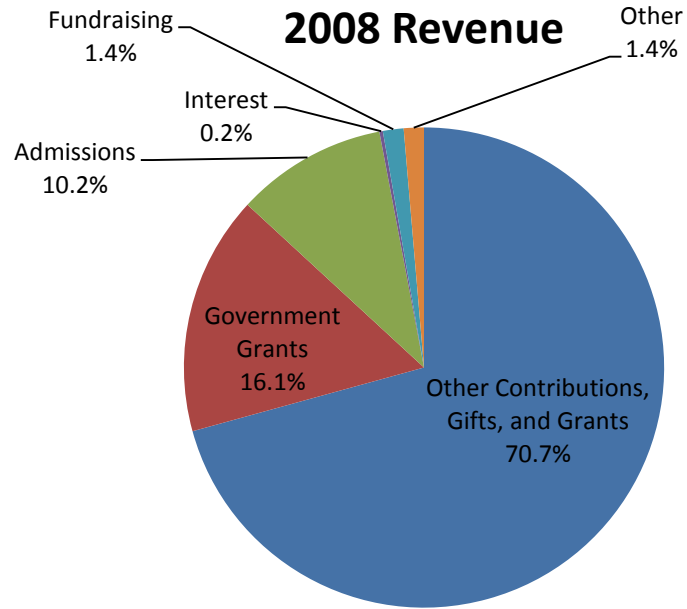
**Subscribers:** 100

### Ticket Prices:

\$5 – \$20

### Reserves





*Sources: Survey Results, IRS 990s, Su Teatro Website*

## Overview

El Centro Su Teatro, or simply Su Teatro as it is known these days, has an important place in American theatre history as the third oldest Chicano theatre still in existence. According to Valarie Castillo, Office Manager, the company started in 1971 in a theatre class at CU Denver. “It was the midst of the Chicano Movement, and I think they were using theatre as a way to get the word out, make a statement, these students. And it just stayed from there.” The company started as a street theatre, and as Executive Artistic Director Tony Garcia explains it, they weren’t very successful on their first try:

We were a collective [...] We used El Teatro Campesino as a model where these guys rented a storefront and they all lived in the back and they got fifty bucks a week. My first salary was fifty bucks a week at Su Teatro and they paid my rent, which was fifty bucks a month. So the way I got my money was I had to go out and sell T-shirts, posters, whatever we had. I did that for about six months’ time. We thought we were all going to live together and just do theater. In 1974-75 we opened our first space [...] we lasted three months. We made one event, not a whole bunch of people came. And I convinced everyone to quit college to do this. Three months later we were all back on the street.

Despite this early setback, Su Teatro soldiered on and became a major player in the Chicano Theatre Movement. While Garcia downplays his own role in the company’s persistence and growth (“The impetus for us to organize and do the work we were doing was based on the social justice movement that we were part of, and that carried us quite a bit forward.”), Castillo argues “I would contend that the evolution and the cohesion came around because of Tony Garcia. I don’t know if there’s an alternative answer to that.” In 1986, Su Teatro was invited to Joseph

Papp's Latino Theatre festival in New York (Castillo). The national attention this brought to the group helped build momentum for a fundraising campaign to purchase their first space, an old school building in Northeast Denver, in 1989 (Suteatro.org). Su Teatro transformed the school into a Latino cultural center and performed in the space (a 120 seat black box theatre) for twenty-one years (Denton, *Su Teatro*).

In 2010 Su Teatro was in the midst of a fundraising campaign to purchase a modestly larger new building when, much to their surprise, then-Mayor John Hickenlooper called them out of the blue and offered to sell them the multi-venue Denver Civic Theater at a deep discount. The space (which had fallen into the city's hands after the bankruptcy of a for-profit, off-Broadway development company) included two performance spaces (a 300-seat proscenium and a 100-seat flexible space), more storage, and a much more visible location on 7<sup>th</sup> and Santa Fe in Denver. Garcia was shocked, but saw the potential for the organization:

It was the Mayor [John Hickenlooper] who initiated this, and he did just call me, actually I thought I was in trouble with him because we were having an event that we didn't have a certificate of occupancy for and he found out. He was a major donor too [...] We were committed to that other place. Tanya and I had a long conversation about whether or not we were going to make the change. We talked about it as a staff and [with] the board, and all of our donors too [...] We had to have a different mindset of where we were going. Our plan was do a protracted transfer, and building, and all of a sudden it was done [...] there were a lot of unknowns here.

Su Teatro purchased the Denver Civic and reopened the building in 2010. Today, it operates the building as both its own company and as a rental house. It has established relationships with

other companies including Stories on Stage and Shadow Theatre, who both present their core programming out of the Civic. The company thinks of itself as a Latino cultural center with theatrical productions as its primary programming; Garcia explains, “For a long time we modeled ourselves after a place called the Guadalupe Cultural Arts Center in San Antonio [...It] was a Latino cultural arts center, which is what we wanted to be. I think also the confusion with the general public: [at] Su Teatro, the theatre is just one component of what we do. It really is about servicing communities and providing more broad-based types of programming.” Today it offers a season of four plays, three festivals (music, film, and poetry), and three guest touring performances in addition to housing a gallery and hosting other community events.

A telling sign about the company’s internal culture is that when asked if one of their members would sit down with me for an interview, the staff of Su Teatro insisted that every member be present. The company invited me to the end of their weekly staff meeting, because “this is how we do things here” (Denton). I met with Office Manager Valerie Castillo, Graphic Designer Archie Villeda, Development Director Tanya Mote, Technical Director Jim Denton, Organizational and Box Office Manager Mica Garcia, and Executive Artistic Director Tony Garcia.

## **Production and Structure**

Su Teatro has undergone many transformations in its forty years as a theatre company, but Tony Garcia has always remained a central figure. His perspective on the beginning of the company and its development shows how the company transformed from a storefront theatre based in radical social justice to the cultural center that it strives to be today. The first major change Garcia remembers is the number of people who filtered out of the company toward the end of the 1970s as a result of getting married, new jobs, and other changes in their lives. As the

company was largely volunteer-based at that point, it was difficult to keep members when other opportunities arose. Garcia suggests that in many ways, he was naturally suited to stay with the company: “What I started to find was that the skills I had that were not making me successful in other places, when they came to organizing [Su Teatro], they were a lot more successful [...] This was the only circus that would have me.” At many times during the company’s first decade Garcia was the company’s sole employee and he often struggled to keep the organization cohesive. During this time, Su Teatro had no formal structure and was not even incorporated as a nonprofit. Virtually no one was paid within the organization except Garcia himself when it was viable. That began to change as the company approached its tenth year. Garcia jokes about the re-entrance of many members into the company, “We all got divorced, which was the opposite of what was happening in the seventies [...] all of the sudden we were back together again, like ‘That marriage was so inconvenient.’” Another significant transformation for the company was definitely the boost in attention they received from Papp’s Latino theatre festival:

What it did was changed not our perspective of ourselves [...]but] we got a lot of press from it [...] and they looked at us in a very different way. When we came back, the production we took to New York actually ran for a couple hundred performances.

During that time it gave us enough security and exposure to tide us over while setting up the infrastructure piece of becoming a nonprofit and setting up a board of directors.” (T. Garcia)

After formally incorporating and purchasing the Elyria complex, the company began to transform into its current incarnation. Garcia ramped up staffing, hiring a development director, a permanent technical director, and more during the late 1980s and 1990s. During this time the



company received a great deal of national attention, earning grants from organizations like The Schubert Foundation, Theatre Communications Group, and the National Endowment for the Arts (*Su Teatro*). In the mid-2000s, the company felt it had stabilized, and made the decision to pursue a larger venue:

It was not an accident that we chose to move to a bigger space. We talked about it five years before because we felt we had maximized what we had at the old space. Also, we thought the constituency was changing [...] Yesterday [at a performance of *Su Teatro*'s world premiere of *Enrique's Journey*] our audience was clearly fifty percent non-Latino, and that was a constituency we were just beginning to reach in the other space. We felt it was really important to move us into a centrally located space, so we could have some kind of synergy with other groups. (T. Garcia)

The company has expanded again with its purchase of the Denver Civic, which it hopes to pay off by the end of 2012 (T. Garcia). It has transformed from a small grassroots organization to a major arts presenter in Denver with an annual budget of around \$470,000 and seven staff members (six full-time, one part-time) (Castillo). After staff salaries, the company's largest costs are typically production expenses followed by venue-related expenses.

Individual theatrical productions for the company are relatively standard affairs, although it is worth noting that *Su Teatro* regularly creates its own productions from scratch (often with Garcia as the author or adaptor of a source work) (Garcia). The company hires mainly non-union performers, though at this point all of the show's actors and production team members are paid. Productions generally run for nine to ten performances over three weekends in the

company's 300-seat space (*Su Teatro*). Particularly successful shows, such as 2011's *Enrique's Journey*, can also receive extensions and encore performances at later dates.

### **Box Office, Marketing, and Season Selection**

Tickets for Su Teatro events can vary significantly depending on the event, but theatre tickets usually range from \$17 - \$20 (*Su Teatro*). The company offers a group rate (or Comadre discount), and student prices. While a subscription program exists, the company sees very few subscribers to its season; Box office manager Mica Garcia pegs the number at approximately thirty. Instead, the box office heavily pushes Su Teatro's 12-ticket flex pass for \$144. Development Director Tanya Mote explains that the company will likely stop selling subscriptions in the next year or two, mainly as a result of marketing opportunities. "We've shifted our focus to the flex pass. When we were making the transition from the Elyria space to this space, we were really going to put a heavy emphasis on the season ticket, and we just decided we'd have more opportunities with the flex pass. We have a really small window to market the season, and after the season starts that doesn't have any traction anymore." Mote also notes that the flex pass enables their patrons to see a \$20 show for only \$12: "We're intentionally making a choice [with pricing] to make it more accessible." Tony Garcia is ultimately in charge of the theatre season selection, although he consults with the other members of the team.

Still, the vast majority of Su Teatro's ticket sales are single ticket buyers, many of them on the day or night of a show (M. Garcia). This is actually a significant issue for the company in terms of gauging the effectiveness of its marketing:

It's changed. What happened with [*Enrique's Journey*], we got a lot of good press and word of mouth, and so I think that people got scared that they weren't going to get in. So

then they got on the phone [...but] our regular audience that comes in all the time, I think they figured out that they didn't need to do that because there's just so many more seats in here. And it is really hard to sell out that space. A lot of times we try to get a read on how we're doing by how many people are calling in advance for tickets. It was getting hard to use that as the read, because people aren't calling but they're still showing up.

(Mote)

Seating in Su Teatro's 300 seat theatre has been general admission, although the company is considering moving to a reserved seating model (M. Garcia). The move would not be for the sake of pricing or to divide the hall into sections, but to address the late purchase problem that Mote mentions. By offering reserved seating, the company hopes it can incentivize its patrons to call ahead and book tickets farther in advance.

When asked about their target market and season selection, Tony Garcia says, simply, "We know what our audience likes. It doesn't preclude us from taking risk, but we know where our audiences' expectations are." To all of the staff, the target market of Su Teatro is less about a demographic, and more about the community that they see time after time. Because of the focus on running the building as a cultural center, there is heavy cross-pollination between the company's festival events, theatre events, and musical guests. In many cases, patrons come without knowing what will be playing that evening, trusting the brand of Su Teatro to deliver. Jim Denton, the company's technical director, explains further:

I also want to point out that there's hundreds and hundreds of our patrons that these three [indicating Mote, Castillo, and Mica Garcia] know by name. Just because they're not on our list of subscriptions [...] we definitely have an audience base. They don't come to the

ticket window and see a stranger, they actually know Mica's name. And we know they're new because they don't.

Though they are not technically theatrical productions, the music, film, and poetry festivals that Su Teatro holds each year are the largest revenue producers for the company (Castillo, Mote). Denton calls the music festival the most expensive production in Su Teatro's year, while the poetry and film festivals are typically smaller affairs financially. The biggest expenses for all these events are usually not production, but food that the company sells during receptions and intermissions. In a sense, the festivals are a combination of production and fundraiser. The food eventually becomes the biggest revenue producer for each event as well (Denton). Mote suggests ticket sales are ultimately a smaller part of the equation in these events, while auctions and concessions are more significant: "The thing that ultimately makes [our festivals] successful is if we get the underwriting, that's something that we've kind of struggled with just because we don't have the staffing [...] If you can get all of your costs paid for up front, then everything you make at the door is gravy."

### **Fundraising and Finances**

Tony Garcia paints a very clear picture of the organizations finances, and also Su Teatro's desire to carry as little debt as possible:

Grants are our biggest source of revenue [...] It would be grants, ticket revenue, individual contributions, other earned income [...] I would say we've rarely had a production that loses money, and I think that has to do with the way we structure ourselves. It has more to do with a [financial] bridge [...] It's] mostly for staff reasons.

Because I have a rule that staff gets paid first. And we don't carry a lot of bills; we don't really owe people money to anyone except on this building. And we're making progress in getting that taken care of; my goal is in the next couple years to be out of that debt.

Garcia's interest in fiscal responsibility may stem from times when Su Teatro was not as stable financial footing as it is now. He jokes, "When we opened, we used to mark our dates: 'One year without missing a paycheck.'" It is also clear where his priorities are for financial resources: personnel. Su Teatro has a long tradition of making sure the people at the core of its organization are taken care of first. Garcia sees value in this "people first" attitude:

A lot of times the resources go into the artistic piece, and I think that's not necessarily long-term investment in your organization. We pay our actors, not the greatest, but everyone gets paid something, and they get it on a consistent basis [...] it's a difference in philosophy: we felt that if we built the staff infrastructure then the other stuff would come into place and we'd develop longevity.

Su Teatro is unique among Denver theatres in receiving most of their unearned funding from grants rather than from individual contributions, and the staff was surprised to learn that most other organizations don't operate that way. Indeed Su Teatro, with its wide array of national-level grants, seems to be more able to acquire grant-based funding than other companies. Su Teatro does have some financial reserves now, although this appears to be a recent development: "We have an endowment, and we actually didn't before the capital campaign [...] and we still have a separate capital improvement fund [...] and a reserve account" (Mote). Mote seems to be particularly well-keyed into the grant cycles of Denver, noting that

“there’s not as many [granting organizations] as you’d think, and they switch out quite a bit.”

She plans Su Teatro’s “fallow years” from organizations like the Denver Foundation and the Gay and Lesbian Fund for Colorado not to coincide, so that Su Teatro can always be assured steady granting income. This also helps shield them when a funding source dries up. This was particularly relevant to Mote recently, when the Gay and Lesbian Fund closed its doors:

“They’re re-organizing, so Gill [Foundation, the Gay and Lesbian Fund’s parent organization,] still exists, but they’re closing the Colorado Springs office.” While the foundation reorganizes, Su Teatro will make sure to plan around the transition. Mote is also opportunistic about foundation support, searching for every possible angle, as illustrated in this story:

We consistently get money from a corporate foundation called the Williams foundation because one of our board members works for [the company that created the foundation]. I was able to ask him, he didn’t even know the foundation existed [...] We get ten thousand dollars a year from them which is just a gift from the sky, and it won’t necessarily be there forever. His company is actually spinning off, and it looks like that relationship is intact for now, but there’s no guarantee. (Mote)

Mote does feel that the company needs to be considering a model that relies on less foundation support: “I think most groups come out of the old model where they were dependent on foundation funding. We were that way; we’ve tried to move away from it. It’s still half of our income, but our other income sources have grown a lot.” The new venue for Su Teatro is a large part of this transformation, as it has much larger revenue potential for ticket sales, and it has opened a new stream of revenue from rentals. The theatre’s bar and art gallery are also potential revenue streams although they are not yet fully realized in the eyes of Castillo. She

hopes to continue tweaking these areas over the next few years until they can provide a more reliable source of funds.

### **Long Term Planning and Growth**

One issue that Su Teatro is still grappling with is the nature of the Denver Civic theatre. The building that the company was originally considering for purchase, a space further down Santa Fe, would have ultimately been smaller, but would have had the advantage of being a space the company could renovate (T. Garcia). In contrast, Mote is clear that “we’re kind of stuck with what this building is now. That’s been the biggest thing we’ve had to contend with: our vision of what a cultural arts center is and should be and the constraints of the existing space in terms of making it do everything we need it to do.” Tony Garcia emphasizes that the company wants to find a way to have more flexible space available. While the current lobby space is appropriate for theatre performances, it doesn’t do as well for their festival receptions and other major events. Denton explains that the renovations to the other space would have solved this problem: “In the original [plan], our lobby was going to be a giant reception hall; flex space that could be our lobby, but could also be a gallery [...] There’s quite a few banquets and things like that that Arvada Center gets because it has a big hall.” Finding a way to incorporate flex space into the Civic could open up another revenue stream.

Mote wants to be very careful about managing personnel growth for Su Teatro, which she finds especially important after the company’s recent transition to a much larger venue. Both she and Tony Garcia see danger in expanding because of their recent change in scope:

I think it goes without saying there’s probably needs in all areas of running the organization and it’s figuring out how to build the staff in the way that makes the most

sense. We went to New Orleans and looked at two different organizations there. And one of the organizations after [Hurricane Katrina] they got a bunch of money and they hired about thirty different staff members just to build staff and build community.

Another organization, they were much more slow about it; they hired four or five very strategically in a way that built the staff in all the areas they wanted to. That we felt was a much stronger model as opposed to growing for the sake of growing. That's where we are, figuring out how to build the staff in a way that we aren't worn down from working sixty, seventy hour weeks but also financially in a way that's manageable. (Mote)



## Part III – Observations

It is clear that Denver is home to a diverse array of theatre companies, and that no two are run in exactly the same way. Even theatres that are fairly similar in fiscal size have differences in age, mission, and structure. All of these theatre case studies, and the profile of the region's theatre climate, have their own uses, and individually each one has a lesson to teach about theatre as a business. Similarly, looking across case studies can provide valuable information about the nature of Denver's overall theatrical environment. Below are a series of observations, grouped by category, which I find important in getting an overall sense of Denver's theatrical ecology. Though some suggestions are made about how the Denver market or individual theatres can grow, they are meant as hypothetical examples rather than criticisms of the existing environment. My aim is to consider the implications for Denver theatre rather than to offer prescriptive judgments or solutions to perceived problems.

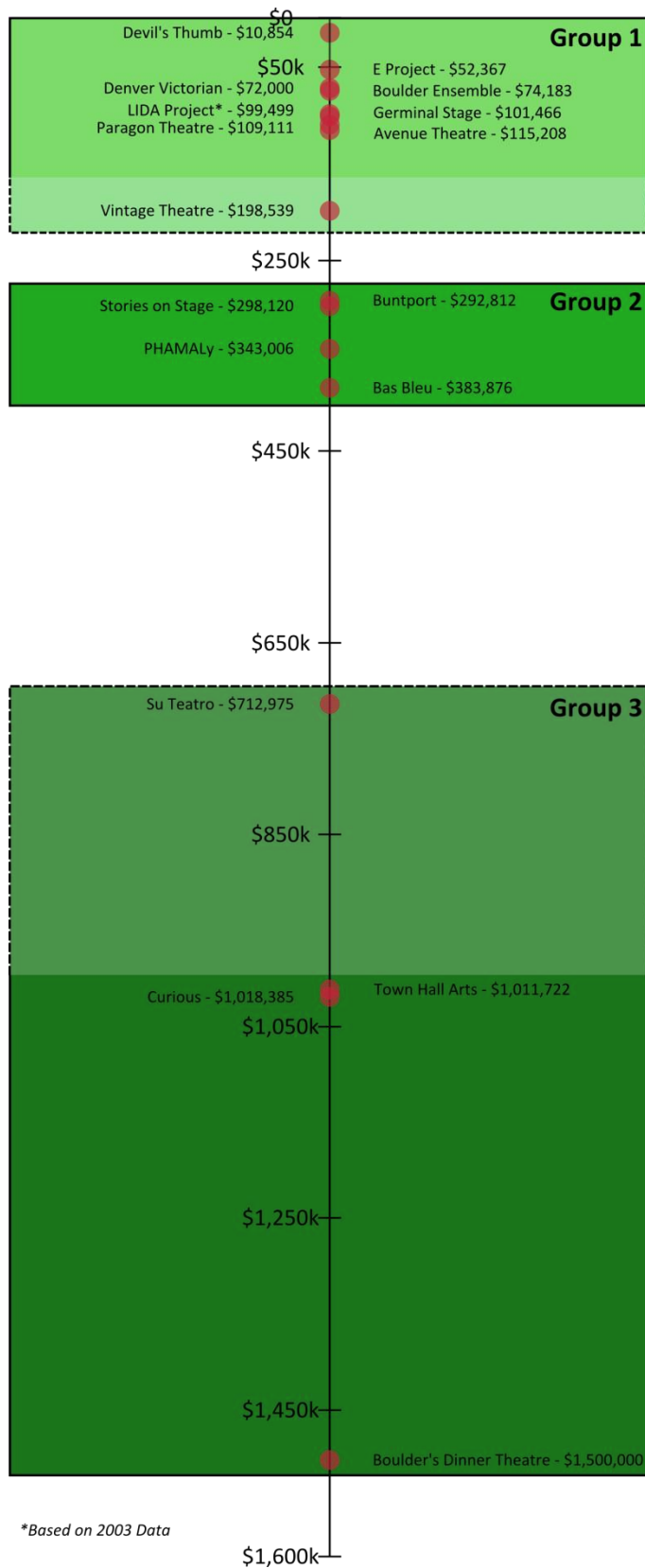
The easiest way to organize these theatres in categorized groupings is to rank them by total revenue in their last fiscal year on record. Throughout this section, the terms “larger” and “smaller” refer to a company's total revenue relative to all theatres studied.

### Fiscal Findings

*Small and Mid-Size Theatres in Denver fall into three major revenue groups.*

Simply arranging all eighteen surveyed theatres by their size provides a surprising amount of insight into the relative scale of each company. Looking solely at revenue, the theatres in this study fall into three income ranges. The majority of companies (nine) fall into the lowest grouping with annual revenue under \$200,000. Another four make up the second grouping of approximately \$290,000 - \$400,000. The final four theatres all have revenue

between \$700,000 and \$1,500,000. Grouping the theatres by revenue also reveals two major



gaps (one between \$200,000 and 290,000 and one between \$400,000 and \$700,000).

At least financially, there is a clear gap between these groups. Removing the two biggest outliers from the dataset, Vintage and Su Teatro, is also revealing: both gaps double in size, suggesting an even greater aggregate level of stratification.

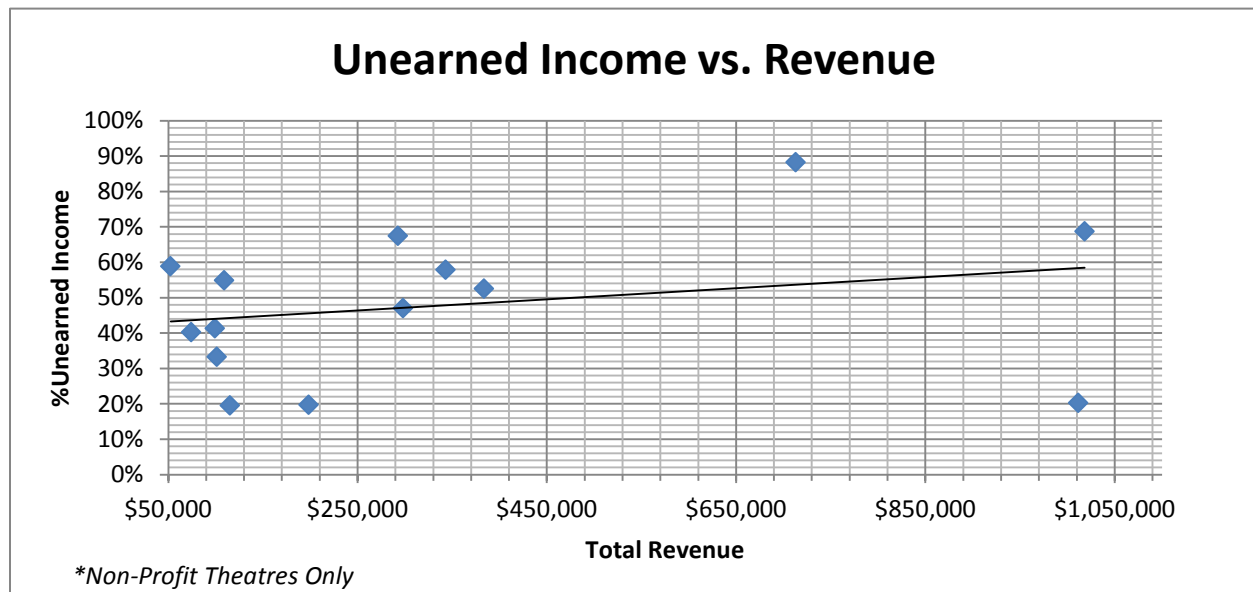
There is a strong correlation between these groupings and the age of each respective company. All of the theatres in Group 3 have existed fifteen years or longer. Only four of the theatres in Groups 1 and 2 can make the same claim: Bas Bleu, Germinal Stage, LIDA Project (which has been dormant in Denver for many of those years), and PHAMALy (which, though it has existed since 1989, only became a year-round producing organization in 2007) (phamaly.org). Indeed, a number of age-related factors could help these theatres in

acquiring revenue. Having existed longer, these theatres may have a stronger marketing infrastructure, more experienced staff, and better name recognition in the community, any or all of which would drive more revenues to their companies. Though the correlation is not as strong between Groups 1 and 2, there is still some age difference; removing the inconsistent LIDA project, Group 1's theatres have existed for an average of 9.6 years (only 5.7 if you also exclude Germinal) while Group 2's companies have existed for an average of 11.8. The gap in budget size may have some relationship to a company's age.

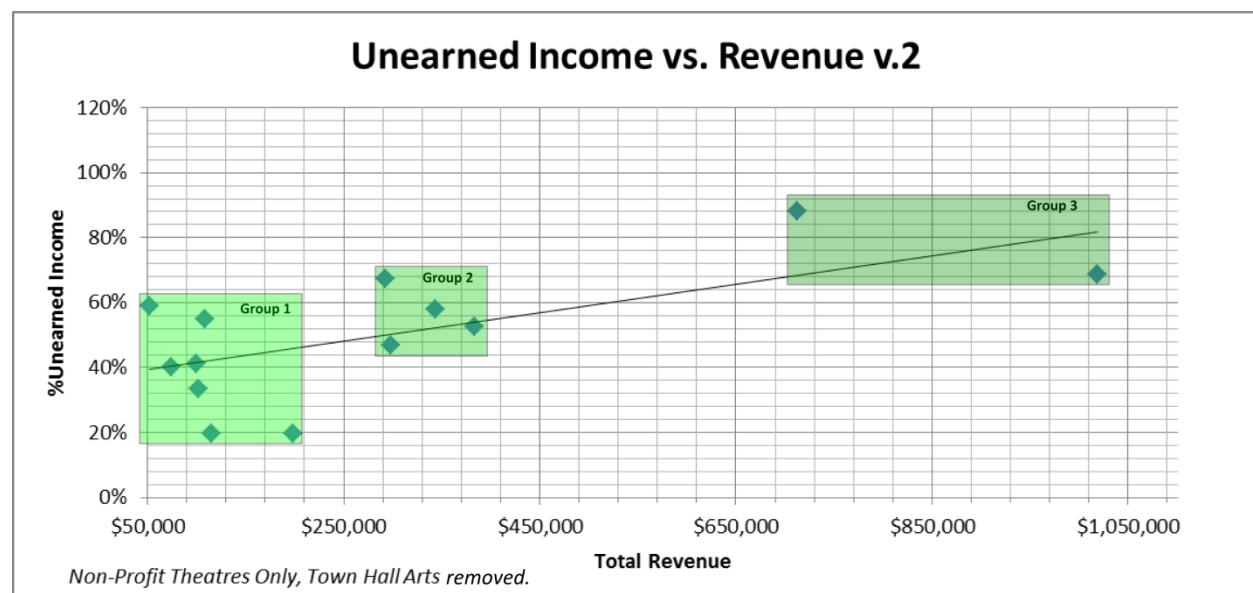
Another very interesting aspect of these groupings is the \$300,000 gap between Group 2 and Group 3. The gap falls just below \$400,000, which is close to the half-million dollar mark that Susan France cites as a "danger zone" for non-profit growth. Also important is that all four of the organizations are close to the threshold where Denver's SCFD Tier III funding maxes out (Bas Bleu is ineligible for SCFD funding as it is in Ft. Collins and not a part of the District). There are ways to get around this limit. It's worth noting that both PHAMALy and Stories on Stage produce touring programs and can request smaller project grants from counties where they tour as well as operating support from their home districts. Still, this means that three of the four companies know that they won't be able to access new operating support money from SCFD until they grow by over a million dollars. The clustering of these organizations right around the funding limit gives credence to Chip Walton's arguments that SCFD can't support companies that are trying to grow beyond a certain size.

*Theatres with larger budgets tend to rely more heavily on unearned income.*

Another clear relationship among Denver's small and mid-sized non-profit theatres is that larger companies tend to rely much more heavily on unearned income than smaller ones.



Looking across all non-profit theatres, seven of the fourteen studied received more than 50% of their revenue from unearned sources, and five of these seven have annual revenues over \$250,000. This relationship, and how significantly it aligns with company growth, becomes even more obvious when the largest outlier, Littleton's Town Hall Arts Center, is removed from the sample:



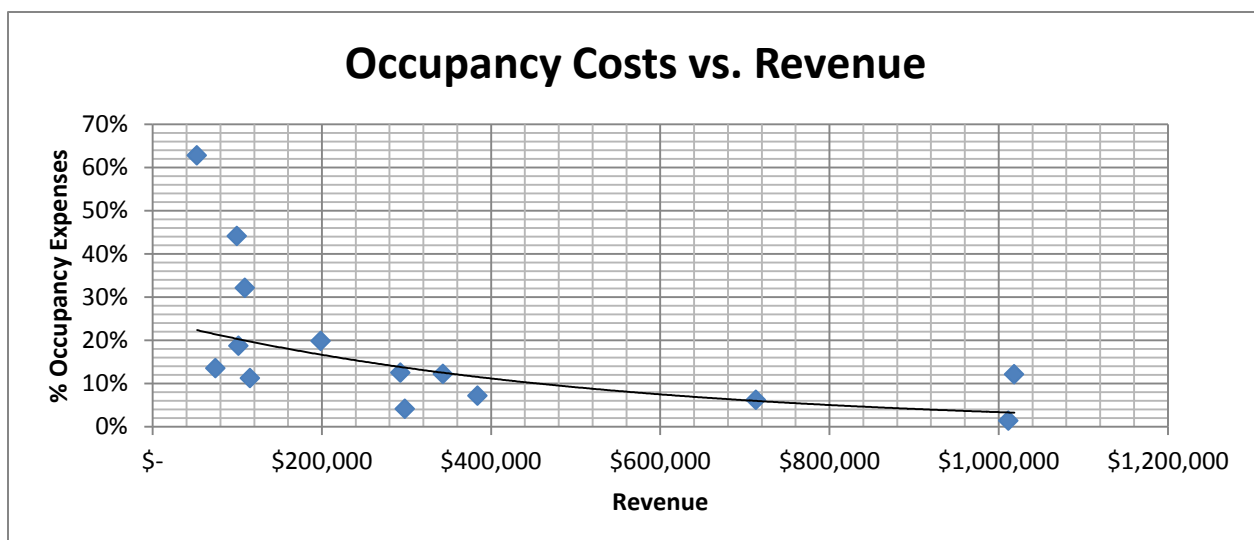
In this second graph, there is a much stronger trend line that runs through the center of all three revenue groupings. It's interesting to note that the most tightly packed group is Group 2, suggesting that these theatres in this range may have a more difficult balancing act between their sources of revenue, or that they have managed to attract attention from one major unearned source beyond the SCFD. No Group 2 theatre relies on less than 40% unearned income, suggesting that a significant level of unearned support is necessary to grow to this size. It also suggests that they are the group that is best for a donor or foundation to target with a moderate grant or gift in order to have the most impact. A hypothetical \$30,000 Bonfils-Stanton grant (the low end of the foundation's funding range) would be worth 10 – 15% of the annual budget of any Group 2 company, while it would feel more like a 3 - 5% drop in the bucket for Su Teatro or Curious. The same grant would greatly increase the budget of a Group 1 company as well, but the size, age, and scope of the smaller group's companies might also make this gift seem more risky.

A very important lesson to take away from this observation is that a small or mid-sized non-profit theatre interested in significant growth must make an equally significant investment in developing unearned revenue sources. It suggests that hiring a development director or grant writer is not just a major step in the growth of a non-profit theatre, but a necessary one. The \$300,000 mark seems to be the point in Denver where unearned income becomes the majority of a company's funding. This is also almost exactly the point where the relatively low-hanging fruit of SCFD operating funding peaks out. A large amount of time and effort is necessary in order to identify and target larger grants or develop a robust donor base. It's unlikely that volunteer labor alone would be enough to support it. This may also help explain why two of the

area's oldest theatres (LIDA Project and Germinal) have not risen out of Group 1 despite their longevity; neither has much interest in pursuing unearned income.

*Personnel and space are the largest costs for small and mid-sized theatres.*

Though the popular adage is that nobody works in theatre because of the money, it can't be said that Denver's small and mid-size theatres aren't investing in their employees as much as possible. On average, the theatres in this study spent 47.65% of their total expenditures on salaries and professional fees (the category most companies use to classify contracted artists, but also accountants, lawyers, and others). For all but two theatre companies (LIDA Project and E Project) where financial data was available, paying personnel was by far the largest expense, even when some companies (like Paragon) didn't realize it. Similarly, the companies spend a lot of money on their venues: on average the companies used 18.39% of their expenditures toward occupancy, utilities and maintenance. This wasn't always the second-largest expense for a company, but it was for eight of the fourteen theatres with expense information. Overall venues and personnel accounted for about two-thirds of the average company's budget. There is not a strong correlation between the total revenue in an organization and the amount that company



compensates its employees (it hovers between 30-60%). However, there is a clear downward trend on occupancy as companies grow larger. The trend here illustrates that venue expenses are a major financial concern to smaller theatre organizations. For these companies, affordability of public venues like the Dairy or the Denver Crossroads Theatre becomes a big issue. Rent a hundred dollars less a week can add up to a thousand or two in savings over a season, big money for a company with a \$100,000 total budget. It also explains why many of the smallest organizations have limited rehearsal and technical time within a venue: it's cost-prohibitive. So much money is already going toward the venue that minimizing the time spent in it is important financially. The largest three companies on this chart (Su Teatro, Town Hall Arts, and Curious) all either own their venues or have the space donated to them by the city, which suggests a much stronger stabilization, though the size of Curious' mortgage pulls its venue costs significantly higher than the other two organizations.

It's not too surprising that so many small and mid-size theatres are focused on these categories; most of them are heavily invested in the primary activity of making and presenting plays. What is interesting is that a theatre company can expect that as it grows in size its venue costs will decrease as a portion of their budget. In contrast personnel expenses will probably remain proportionally constant as a company grows. This suggests one of three possibilities: as companies grow they hire more personnel, the personnel that they use become more expensive over time, or a combination of both of these. This can be helpful for a company to consider when projecting a budget or creating long term plans, and also speaks to the long term costs of professionalizing a company. When combined with the unearned income trend, it suggests that more grants and funding will probably need to be directed toward personnel than occupancy as a company grows.

*Small and mid-sized theatres have a relatively affordable price range.*

The overall range for single ticket prices among surveyed theatres is wide: \$12 – 55 (not counting Stories on Stage’s pay-what-you-want Lo-Dough tickets). However, the most common ticket price is \$20, and the median price range is surprisingly narrow: \$18 – 23. Only Boulder’s Dinner Theatre and Town Hall Arts Center have minimum ticket prices above this range. Both of these companies present a large number of musicals, which are more expensive to stage, and the BDT ticket includes a meal. Still, all studied theatres offer a ticket at \$35 or less, which is relatively inexpensive, especially compared to the DCTC’s lowest price of \$47 and high prices well over \$60 (denvercenter.org).

Most of Denver’s theatre tickets, then, are more expensive than a movie but less expensive than a fancy dinner or most other live forms of entertainment (though on par with the low end of most sporting events). Their price does definitely represent what John Moore terms a “calculated economic decision,” (Interview). It’s also interesting to note that the median ticket price has a range of only five dollars. This suggests that, consciously or not, theatres are definitely pricing against one another competitively, and that they share a general agreement of the value of a show. This price point may be where they find the best response from their markets. It also creates a psychological or value barrier for many companies: eight of the fourteen companies have some ticket price just above the median range, but only three have tickets priced higher than \$25 (the largest three, Boulder’s Dinner Theatre, Curious, and Town Hall Arts).

It is interesting to consider this price range along with the unearned income relationship discussed earlier. Though theatres in Group 2 are operating on 2 - 4 times the budget of theatres in Group 1, they don’t raise their ticket prices significantly. Some of this is the result of a conscious choice. Buntport, for example, is committed to making theatre affordable, as is Stories



on Stage with its “pay-what-you-want” ticketing program. Even Su Teatro at the higher end tries to keep its tickets under \$20 (it has far greater unearned support than any other theatre, allowing it to keep those prices low and remain large). But it also raises questions: at what point is raising prices acceptable to an audience, and what benefit does a higher price confer to a patron? The reluctance of Group 2 to raise prices, along with the lack of additional SCFD funding, may be part of what puts these theatres such a great distance behind Curious and Town Hall Arts in revenue. Of course, Group 2 companies may also be interested in staying close the same size that they are now, in which case that revenue would be unnecessary.

## **Cultural Findings**

*Theatre companies do not believe they are in competition with one another.*

Of all the theatre companies interviewed, very few were willing to label other small and mid-sized theatres as competition for audience. Only Michael Duran of Boulder’s Dinner Theatre and Wade Wood of the Denver Victorian suggested they were in direct competition with other theatres of their own size. A larger number of organizations did identify the Denver Center and the Arvada Center as direct competition, but usually only for a specific segment of their market (members of Curious, Boulder Ensemble, and Paragon all mentioned this idea). In general, though, theatres claim that they don’t see much crossover between their own organizations and other small to mid-sized companies.

One place where theatres did identify each other as competition was for unearned income. Many companies know that they compete for similar grants with organizations like the Bonfils-Stanton foundation, and that those organizations tend to fund only a limited number of companies each year. Curious and Buntport also noted that there is a much smaller pool of regular theatre donors than potential audience. Both believe that they may be in competition

with other companies for this donor base, and both are aware of the impact the DCPA has on their own donors. Larger granting organizations, such as the Denver Foundation or the SCFD, are actually less competitive because they tend to fund larger numbers of non-profits. SCFD in particular does not make any judgments about how many theatres to fund, or whether or not to fund one theatre over another if both meet the base requirements.

While not exactly competition, another problem area that many theatres identified as a threat to audience development was, for lack of a less subjective phrase, “bad theatre.” A number of theatre administrators (including those at Germinal, Curious, Paragon, Boulder Ensemble, and LIDA Project) suggested that this issue exists in the Denver-Metro area. Although none of these companies named specific companies, many of them talked about traits of these productions. Some used the phrase “vanity production,” or described companies producing a particular show for the sake of doing that show. Others pointed to companies that would do the third or fourth production of a particular play in a very short period of time, asking rhetorically whether or not that many productions were necessary. Wendy Franz, Chip Walton, and Kate Roselle focused on the idea that many of these companies have little to no understanding of their missions, or of what makes them an asset to the theatre community. Walton was specifically critical of theatre companies that don’t make a solid commitment to paying their artists, but claim professionalism or professional quality as an attribute. Given the number of theatre companies that are created and disbanded on an annual basis in the Denver-Metro area, it is likely that companies with these attributes will always exist. What is important then is that the companies who view others as competition find a way to differentiate themselves as holding a higher standard and rise above the “bad theatre” companies that worry them.

*Small and mid-sized theatres in Denver have no relationship with one another as a group.*

Though individual practitioners know one another within the theatre community and there are some theatres (particularly Buntport and Stories on Stage) known for their collaborations with other theatres, Denver's small and mid-sized theatre companies don't have formal relationships with one another as a matter of course. Other than the occasional prop, costume, or equipment exchange most companies operate completely independent of one another. This isn't too surprising; all of these theatres are businesses in their own rights, and they should be able to function independently.

What is surprising, however, is that if most theatres do not believe that they are directly competing with one another, they also seem to ignore the potential benefits of working together. There are many common concerns in Denver that affect all theatres in this study. Forming a Denver-Metro service organization or council of small and mid-sized theatres (similar to a small business association) could do a lot to address these concerns. For example, these companies could develop a group brand identity for themselves. By pooling their resources, several small and mid-sized companies could pay for and maintain a professional, graphically-focused website similar to the ones that currently dominate the "Denver Theatre" Google search. This could help them improve their visibility and increase ticket sales, and would also be a good way to replace declining newspaper coverage. They could then extend this identity with theatre maps and information at their performances. By making a group effort to let the Denver-Metro area know they exist, these companies could find a way to raise the visibility of theatre in general, hopefully boosting all audiences. It would also help fill the void created by the decline in newspaper coverage that the region is already experiencing.

A group of united small and mid-size theatres would also be large enough that it could advocate with city and county governments. The group would be able to discuss zoning laws,

venue restrictions, and be able to illustrate the needs of their organizations to the city as a group. This could help to prevent building code issues like the one that closed Paragon, and could create a standardized channel through which the theatre companies communicated with city offices. On the SCFD front, a large organization of theatres could work with other organizations like CAST3 to make sure that small and mid-sized theatres' interests were represented in the conversation about rewriting the SCFD for its next reauthorization.

There are many other ways theatres would benefit from a more formal group relationship. A theatre service group in Denver could act as a resource to its members and to new theatre companies as they emerge. The service organization would be able to lobby corporations or public figures and encourage them to support theatre in the Denver-Metro area. It could also work with tourism boards and visitors bureaus to make sure that Denver's theatrical events were promoted as an important part of the community. It may even be possible to hire an independent at-large theatre critic to write and publish web reviews of the member companies. Any such organization could provide more cohesion to a theatre community that lacks geographical unity, and could be a positive step for raising theatre's profile in Denver as a whole.

*Small and mid-sized theatres do not rely significantly on traditional fundraisers for income.*

Traditional fundraising through events and indirect giving are scarce for small and mid-sized Denver-Metro theatres. Five of the fourteen non-profit theatres studied indicated no revenue specifically from fundraising events, and the nine that did have some form of fundraising events gained an average of only 3.61% of their total income from fundraising. No theatre had more than 7% income from fundraising. These statistics could be somewhat misrepresented if, for example, a company lists fundraising income under gifts and grants on its IRS 990. However, the fact that the majority of non-profit companies do list at least some

fundraising income suggests that it is being recorded appropriately. When asked about fundraising, theatre administrators generally seemed of the opinion that the process was more trouble than it was worth.

Theatre may not turn to fundraisers simply because theatre is already in the business of producing events on a regular basis, and most of their staff is wrapped up in that process. Creating an additional event requires either hiring development or fundraising staff or pulling existing resources off of the company's season productions. In most cases the Denver-Metro area's theatres seem to prefer working on their core programming rather than fundraising events. The lack of fundraising events may also be a symptom of Denver's poor track record on corporate sponsorship. With no businesses to help underwrite fundraising events, the costs of an evening can seriously undercut revenues. The companies that do fundraise actively either focus on one major event annually (like PHAMALy's annual gala) or try to do as many small, low-effort fundraisers as possible (like Paragon's Beer Busts, Bowl-a-thon, and Mis-Casts) (phamaly.org, Franz Interview). This way the company can either set aside planning time for the event, or it is so low-effort that it can be easily added to a production schedule. The real question (which remains to be answered) is whether theatre avoids fundraising because it isn't worth the effort, or because it hasn't worked for theatre companies in the past.

*Few theatres have a data-driven understanding of their market and demographics.*

Only two of the companies interviewed, Curious and Paragon, discussed more than an anecdotal knowledge of the demographics of their patron bases. No other companies suggested that they tracked or actively analyzed information like patron zip codes, though a few did suggest they conducted occasional demographic surveys at performances. This is a severe limitation to the marketing abilities of any company. Data-driven market analysis can help determine the best

physical locations for posters or advertisements, the best tools for reaching an audience, and it can help identify similar demographics for a company to target. Combining demographic information with performance sales can also reveal connections about which patrons prefer which shows.

There are significant barriers for small theatres to data driven marketing. There are costs associated with data tracking. A common way for theatres to track patron information is through the use of box office software, but many companies are too small to afford this. Looking at this sort of data also takes time, and requires a skilled person to make good sense of it. A small theatre would probably need to find low-cost or pro-bono consulting to make good use of such data. Still, in a market where visibility is poor and audience development is frequently cited as a problem by theatre companies, even the use of basic data-driven marketing like zip code tracking could help maximize limited marketing budgets.

*Oftentimes, a single personality is the driving force behind a small theatre company.*

Chip Walton, Tony Garcia, Ed Baierlein, Wade Wood, Alex Hughes, and Brian Freeland are all examples of theatre administrator/artists whose personalities are at the core of their organizations. All of these individuals have been at the center of their respective companies since they were founded, and have remained at the center of their respective companies. There is a sense in each of their interviews that the company would probably not exist without them. In the cases of Baierlein, Wood, and Freeland, each has made an unwavering commitment to their respective company and could be considered the company's only employee. During interviews with Walton, Garcia, and Hughes, another member of the company spoke up, identifying each leader as the reason his company exists in its current form.

There are certainly benefits to having a single identifiable leader in charge of a company. Internally, it can help to maintain a specific vision and provide focus. It also provides a strong sense of continuity and allows an organization's history to be present in one person; for example, Tony Garcia can tell the entire forty year history of Su Teatro in less than half an hour and Chip Walton has had great success leading Curious on a growth trajectory that matches his vision. Externally, it gives the theatre an obvious public face and a single point of entry for major donors, the media, and its subscriber base. Interestingly, the drawbacks to having a strong central leader arise when that leader becomes too important to the organization and it can no longer survive without his or her support. Wade Wood's problems at the Denver Victorian stemmed partially from him being a major financial supporter of the company as well as the only real staff member. Ed Baierlein is only now planning a succession after about thirty years of being his company's sole employee, and freely admits the plan won't take effect until he dies. The challenge of any organization with a strong central leader, theatre companies included, is making sure that the organization does not become too reliant on its central figure, because the consequences can be severe if that figure is distracted or goes away.

*Many small and mid-sized companies emerge from schools.*

Six of the twelve profiled theatres in this study were created as a direct result of people who knew one another as theatre students in a high school or college environment: Boulder's Dinner Theatre, Buntport, Devil's Thumb, LIDA Project, and Su Teatro, and PHAMALy. Though they were not directly founded by students and teachers, many other companies also have strong connections with educational programs. Boulder Ensemble Theatre was founded in part by a graduate student at CU-Boulder and used a number of CU student and faculty connections in its first seasons, a relationship that continues today with its co-productions

(Weitz). Stories on Stage originally manifested as a fundraiser for a local chapter of the Harvard Alumni Club (Stutsman). In fact, having a relationship with a school was the most common origin story in all of the theatres surveyed.

There is obviously a strong link between theatre companies and educational institutions in the Denver-Metro area. There are a number of good reasons this is the case. First, an educational environment requires its students to work together regularly on a variety of projects over several years. During this time students are able to learn and grow with one another and understand how their skillsets work together. This can lead to strong working relationships, and a natural tendency to want to continue working together. Second, students at the same institution are taught by the same set of instructors and professors, and learn the same basic system for how to work together on a production. Being literate in the same style of producing theatre allows student groups to work in shorthand faster, and can keep them on a similar ideological page. This can lead to a more unified company that lasts longer. Finally, recent graduates all face the same basic problem going in to the theatre world: finding opportunities to work. Young artists who are frustrated with the time it would take to climb the rungs at established institutions or who simply can't find work may see a company as a way of creating their own opportunities and being able to work on their pet projects. Since students graduate from school in groups when a quarter or semester ends, they all start looking for work at about the same time. It makes sense that many of these students would band together and form companies.

The takeaway here is probably more for educational institutions than theatre companies themselves. Since it's clear that many theatres in the Denver-Metro area start up as a result of Colorado students working together, universities in the area should be able to prepare their students for the possibility. This means having a strong theatre management course and including the practicalities of producing in small theatres within their programs. Beyond simply



understanding how theatres work, students should also be able to learn the specifics of starting up and growing a small theatre. Schools could also reach out to existing small and mid-sized theatres and develop active collaborations and internships, allowing their students to get direct experience with existing companies before starting their own. Preparing students for the entrepreneurial aspects of starting a theatre could not only lead to stronger theatre companies in the Denver-Metro area, it would also provide a greater chance of success to a theatre program's graduates.

## Conclusion

When I first set out to describe the theatre environment for the Denver-Metro area, I envisioned a moderate but relatively contained project. Having worked for several months on acquiring the information contained here, it's become clear that my estimates were more than a little off. The information in this study is based on over thirty hours of interviews, well over a hundred forms of tax data, demographic studies and projections, and more. Through it all, I have been impressed by the openness and eagerness of theatres to talk to me and provide me with information about their process. Especially impressive is that many failed theatres were willing to give me information about their history and struggles, and encouraged me to look at their challenges critically in the hopes of helping future theatre artists learn from their mistakes. Throughout the entire process, I was struck by the curiosity of those I interviewed to discover how they fit into the theatre ecology, and their constant encouragement to find out more. Though it has its weaknesses and differences, the Denver-Metro theatre community ultimately wants a thriving theatre scene in the area, rather than just a few successful companies.

Despite my best efforts, this study is still incomplete. The Denver-Metro ecology for small and mid-sized theatres, like any business environment, is extremely complex and constantly in flux. The case studies and observations describe the most significant aspects of the market, but unfortunately it is still limited to a narrow segment of the community as a whole. Comprehensive analysis, even of the subset of theatres I have chosen for this study, is a Sisyphean task. Companies are being created and disbanded all the time. Similarly, foundations are constantly reorienting their focuses. It's even difficult to keep track of venues, which seem to appear and vanish almost as regularly as the companies that use them. These difficulties don't factor in the reality that most theatre professionals are extremely busy people, and that finding time to interview them is a project in its own right. Even after John Moore's impressive efforts

at the *Denver Post*, the details of the Denver-Metro theatre community are far too numerous for one person to cover completely. There's just too much happening.

I hope this study engages the interest of theatres and theatre scholars alike, and that it illustrates the value of understanding the variety of theatres that exist in America today. It is my feeling that too often these types of companies and artists go overlooked precisely because it is difficult to classify them within our existing paradigm, where union professionalism and amateur community theatre occupy two poles on a very narrow spectrum. The space between these poles is wide in Denver, especially compared to the amount of recognition the theatres within that space receive. It's possible, even likely, that theatres on the scale of Paragon, Boulder Ensemble, and Buntport thrive in other cities throughout the country, and it is important to find out the similarities and differences between them. The work that they do, and their struggles to define themselves alongside the regional theatre system, are worthy of additional and deeper study.

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## Appendix A – Initial Survey, Interview Questions, and Consent Forms

### Initial Survey

*NOTE: In addition to a physical copy of the survey (represented below), the respondents were given an option of filling out a digital version of the survey on surveymonkey.com. Survey responses were treated similarly as either digital or hard copy results.*

#### Denver-Metro Theatre Questionnaire

Person filling out Survey:

Name of Company:

Title of person filling out survey:

Years Company has existed:

1. Does your theatre company produce an **annual season** of plays?  
If so, how many shows per season, what is the approximate length of each season, and what months does it span?
  
2. Does your theatre company have a consistent **performance venue**?  
If so, what is its address?  
  
What is the approximate seating in each performance venue?  
  
Do you own or rent your space?
  
3. Does your theatre company have a dedicated scenic or costume **production facility**?  
If so, do you own or rent the facility?
  
4. Does your theatre company have a **stock** of scenery, properties, costumes, or other equipment?  
If so, what do you store?
  
5. Does your theatre company have a formal **core company or ensemble** of artists?  
If so, approximately how many artists are considered company or ensemble members?  
  
If so, please briefly describe the **duties** and **benefits** relating to membership within the company or ensemble:
  
6. Does your company ever hire **union** actors, designers, technicians or directors (AEA, USA, IATSE, SSDC, etc.)?  
If so, which union(s)?



## Follow up Interview Template

**General Description:** I expect the interviews to take place in a conversational format over approximately an hour with each participant individually. Interviews will take place over the phone or in person (or by email if no other option is possible). The following questions will be asked, and I may follow up to request clarification on the responses from the participant.

Interviews may be audio recorded for reference purposes.

It is possible that I will revise these questions after receiving my initial survey responses in order to better align with the data I receive, in which case I will file an amendment.

### Questions for Follow-up:

- **Tell me about the history of your theatre:**  
 How long has your company existed?  
 Did you start out as a professional company, or did you grow into one?  
 Have you moved between venues over your existence? How did this affect the way your business operated?  
 How has growth and change in Denver affected your company?  
 In your opinion, what were the defining points in the growth of your theatre?  
 Please describe your basic business model. How did you arrive at it?
- **Mission Statement:**  
 What is your mission statement?  
 How does your mission inform your day-to-day business practices?  
 Are there elements of your company that would not exist without your current mission statement?
- **Budget:**  
 How did you arrive at your current annual budget?  
 What are the key decisions in planning your annual budget from year to year?  
 What are the major expenses your company incurs annually? From show to show?  
 Do you have any long-term savings for your company that are separate from general funds?  
 How do you protect your company from losses when they happen?
- **Box office/Ticket Sales/Marketing:**  
 What are your major marketing strategies for your season as a whole?  
 What are your major marketing strategies from show to show?  
 How do marketing needs and media requirements affect your productions, if at all?  
 Approximately how much do you spend marketing an individual show?  
 How much time and effort do you spend on your subscription campaign?  
 What is your ratio of subscribers to season ticket holders?  
 How do you price your hall? Do you use dynamic pricing?
- **Fundraising/grants/development:**  
 What sources of non-revenue funding do you actively pursue, and what types are you most successful at obtaining?

Do you have major non-theatre events that you use for fundraising?  
 What do you find to be the best appeals when soliciting money from a donor or corporation?  
 How do you deal with complementary tickets and audience development?

- **Season and production:**

How do your business practices and budgeting concerns affect your season planning?  
 Do you have any hard-and-fast “rules” for what you put into your season?  
 How does your season impact your business practices?

- **Employees:**

How have you arrived at your current staffing situation in terms of relationships with unions, full-time employees vs. volunteers, etc?  
 Do you consider your current staffing to be ideal?  
 How often do union issues affect the choices you make for your company?  
 How often does having a core company of artists or particular staff members affect the choices you make for your company?

- **Market:**

What do you consider your competition?  
 Do you feel that Denver has too many theatres? Too few? About the right amount?  
 What is your target market for your productions? How much does it vary from show to show?  
 Have you partnered with other theatre companies in the past? How has that affected your business?

- **Long term planning and growth:**

What are your major plans for your company in the next 5 years? How will these plans help you grow?  
 What changes in Denver over the next 5 years will impact your theatre?  
 Is your company stable and where you would like it to be now? If not, what do you need in order to develop it into what you want?

## **Foundation and Government Interview Questions**

### **General**

- What are the goals/purposes of your organization?
- What are the primary goals of your organization as they relate to the performing arts?
- How many employees do you have, and how many of them are focused on activities or work related to the theatre community? What are those activities?
- What is your organization's relationship to the Denver-Metro theatre community? Do you have longer-term relationships with specific theatre organizations?
- Approximately how many theatre companies are you aware of in the Denver-Metro area?

### **Community Health**

- How healthy is the Denver-Metro Theatre community? What are the key factors in its strength/weakness?
- How is the Denver-Metro Theatre community perceived by the local and state government? How is it perceived by the population of the area as a whole?
- What other organizations provide similar support to theatre in the Denver-Metro area as yours? How does your support differ from theirs?
- What are the key elements to a healthy theatre (or arts non-profit) in your opinion? Do many or most Denver theatre organizations meet those criteria in your eyes?

### **Education and Assistance**

- Does your organization provide educational seminars, workshops, or classes to theatres? If so, covering what topics?
- Does your organization provide non-financial startup or technical support to new non-profits? If so, in what form(s)?

### **Financial**

- What is your organization's approximate annual budget? Of that budget, what portion is typically allocated toward supporting performing arts organizations?
- Generally speaking, what sources does your organization get its own financial support from?
- How has your budget and your activities been affected by the 2008 financial crisis?
- Do you have enough money to support the arts community effectively right now?

### **Advocacy/Government Relations**

- How does your organization engage in advocacy for theatre and the performing arts?
- Does your organization actively lobby members of the local, state, or federal government? How effective are these activities and how responsive are government officials?
- What are some major advocacy or policy events (either positive or negative) for your organization and for Denver Theatre in the past 5 years?

**Grants and Other Funding.**

- Do you offer grants, loans, incentives, or other support directly to theatre organizations?
- What types of support and in what amounts?
- Do you place restrictions on the grants that you give?
- What are the key criteria for you in selecting an organization to fund?
- Do you offer grants, fellowships, or other support directly to individual theatre artists? If so what are your requirements for such an award?

Do you have other ways of supporting the theatre community that we have not yet discussed?

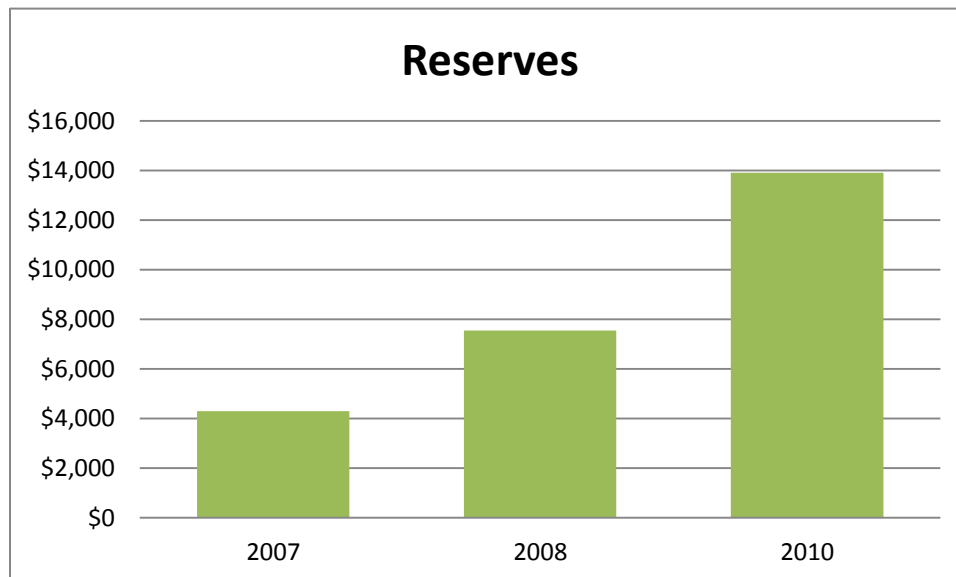
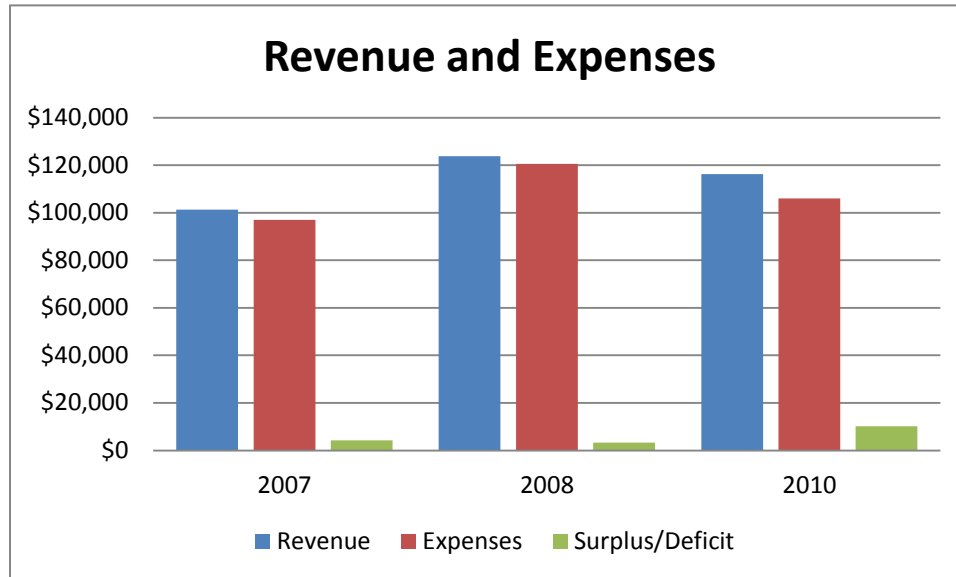
**The Future**

- What growth and changes to Denver and Colorado do you see in the next five years that might affect Denver-Metro theatres?
- How would you like to expand or change your own operations as they relate to theatre and the performing arts over that period?
- In your opinion, are there structural problems in the performing arts in Denver that could be fixed with a larger community effort?

## **Appendix B – Additional Theatre Micro-Profiles**

The following theatres were included in the survey process of creating this thesis, but were either unavailable for interview or indicated they were not interested in being interviewed. Using the financial data from these theatre companies was helpful in drawing fiscal conclusions in Part III. It was also valuable in providing a larger sample set outside of the twelve theatres profiled in depth. For completeness and comparison, I have provided their financial data and “Fast Facts” for these organizations in a manner similar to the one used in Part II’s profiles here.

## The Avenue Theatre



### Fast Facts

**Years Existed:** 24;

5 as non-profit group

**Annual Season:**

6 productions

**Season Span:**

Year-Round

**Venue Size:**

97 seats.

**Part-Time Staff:** 2

**Full Time Staff:** 0

**Approximate**

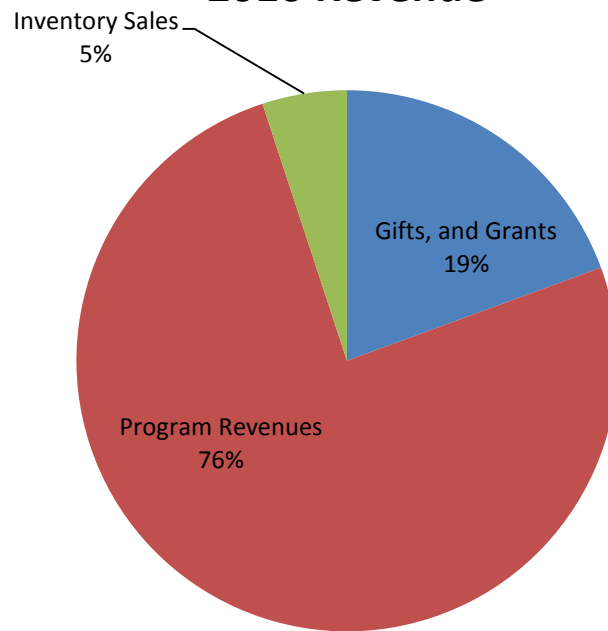
**Subscribers:** 0

**Ticket Prices:**

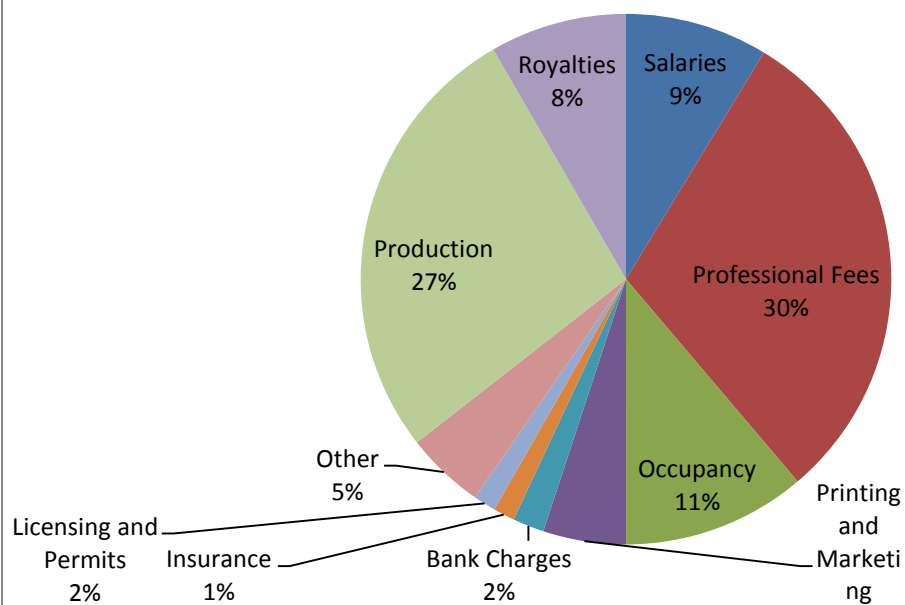
\$10 – 20



## 2010 Revenue

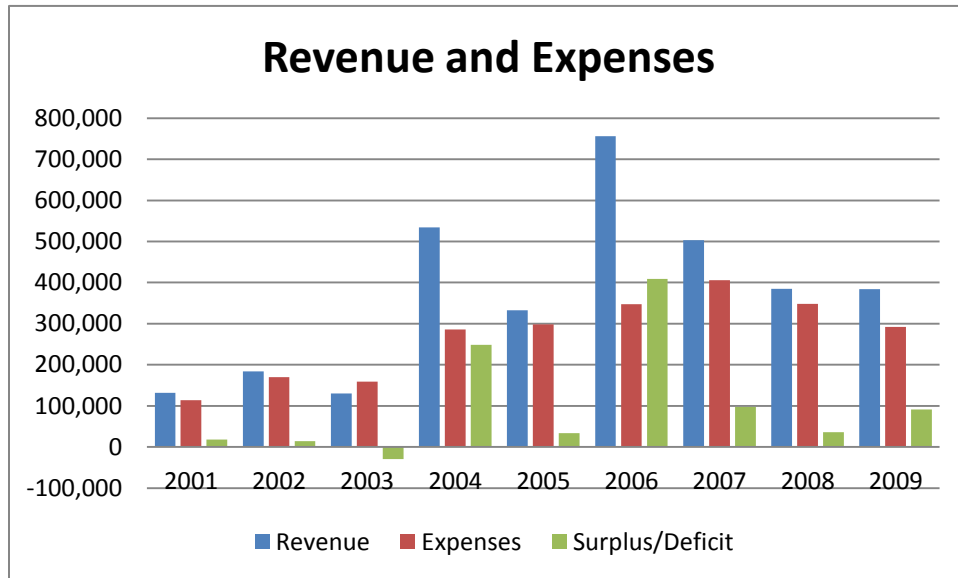


## 2010 Expenses



Source: IRS 990s, Survey Results, Avenue theatre.com

## Bas Bleu



### Fast Facts

**Years Existed:** 20

**Annual Season:**  
5 productions

**Season Span:**  
September - July

**Venue Size:**  
Unknown, less than

100

**Part-Time Staff:** 6

**Full Time Staff:** 0

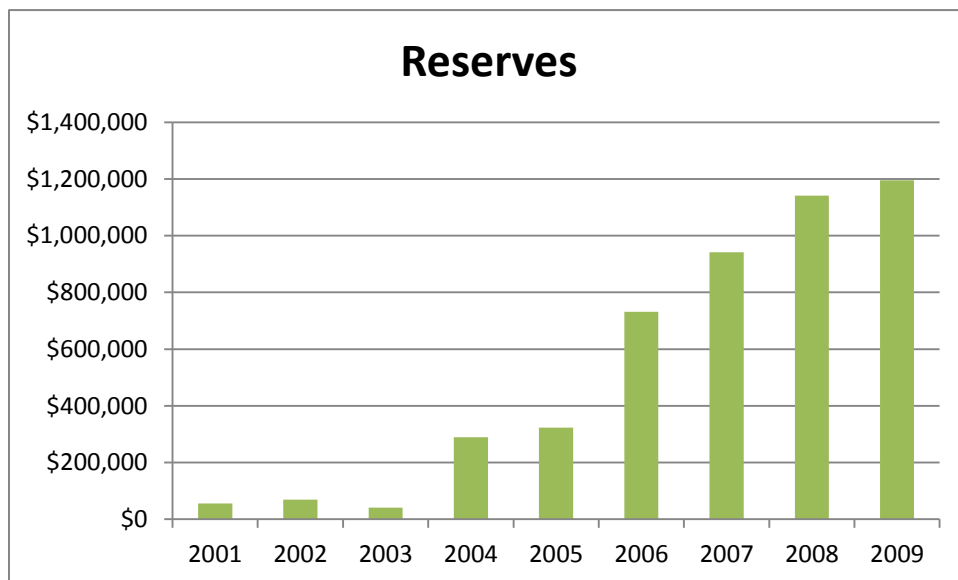
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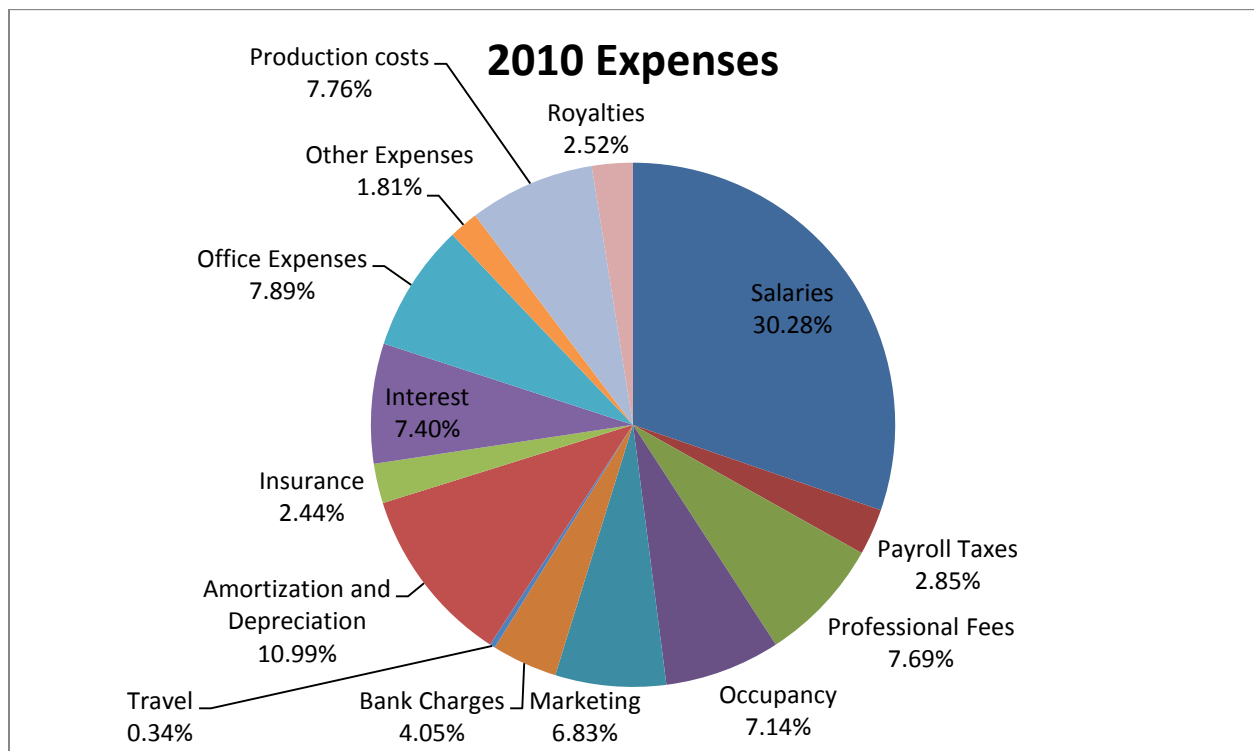
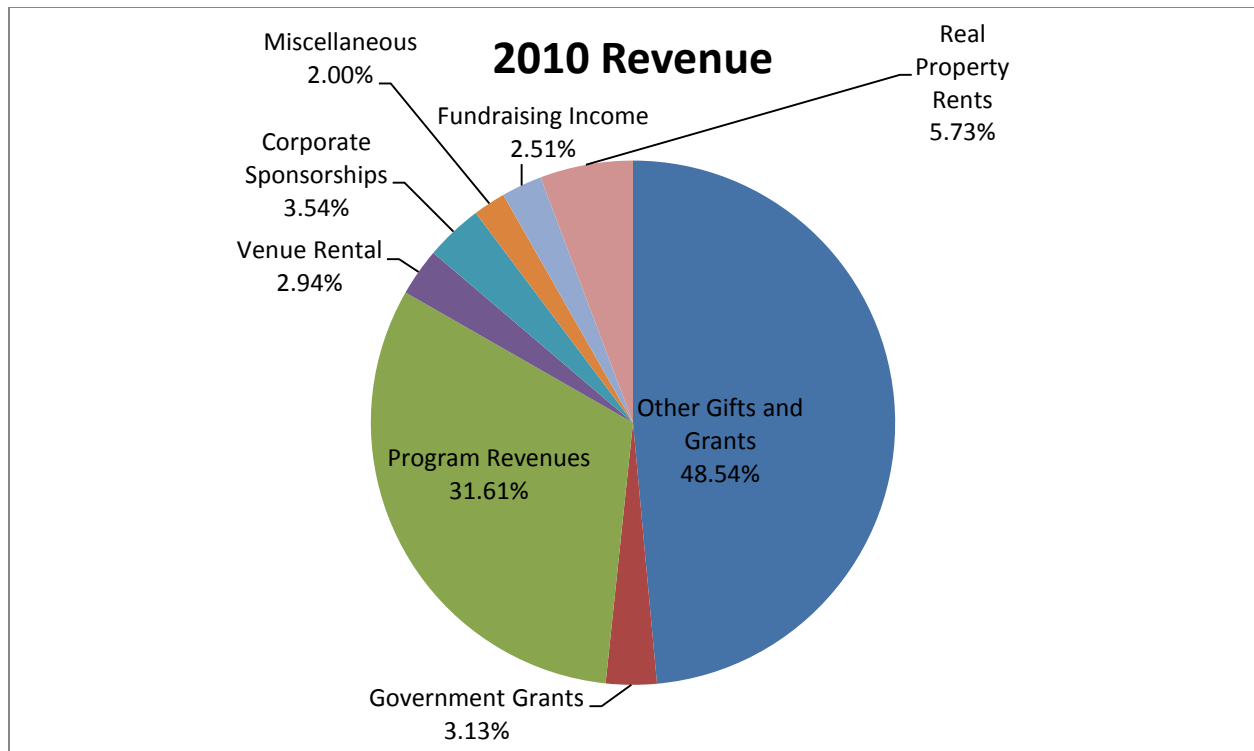
**Subscribers:**

Unknown

**Ticket Prices:**

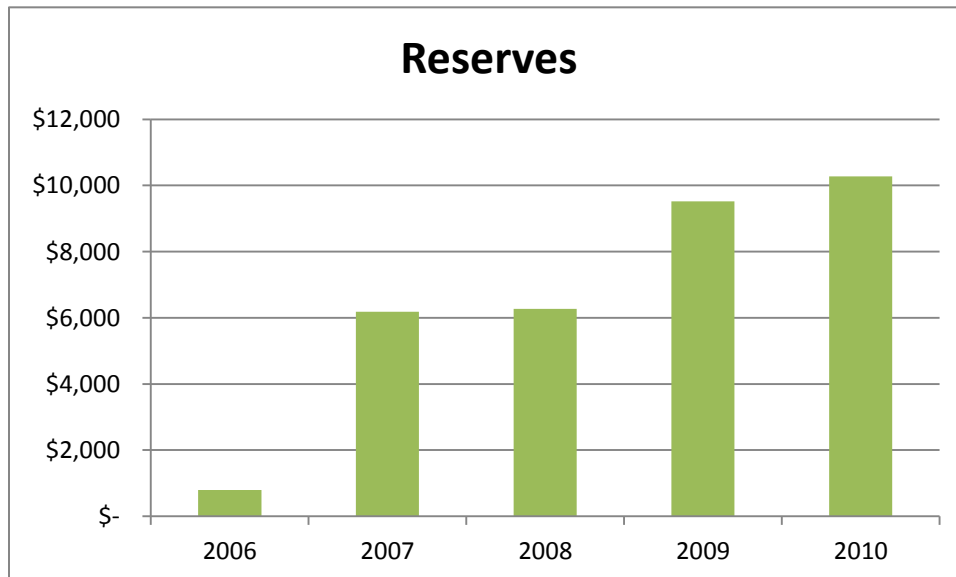
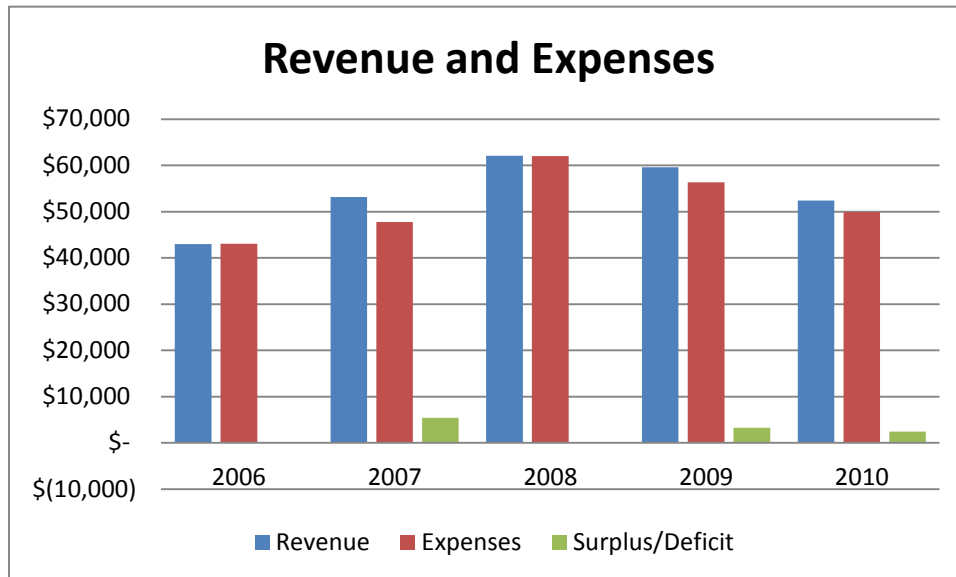
\$10 – 22





Source: IRS 990s, [basbleu.org](http://basbleu.org).

## The E Project



### Fast Facts

**Years Existed:** 11

**Annual Season:**  
7 productions and  
one New Play  
Festival

**Season Span:**  
Year-Round

**Venue Size:**

68 seats

**Part-Time Staff:**

Unknown

**Full Time Staff:**

Unknown

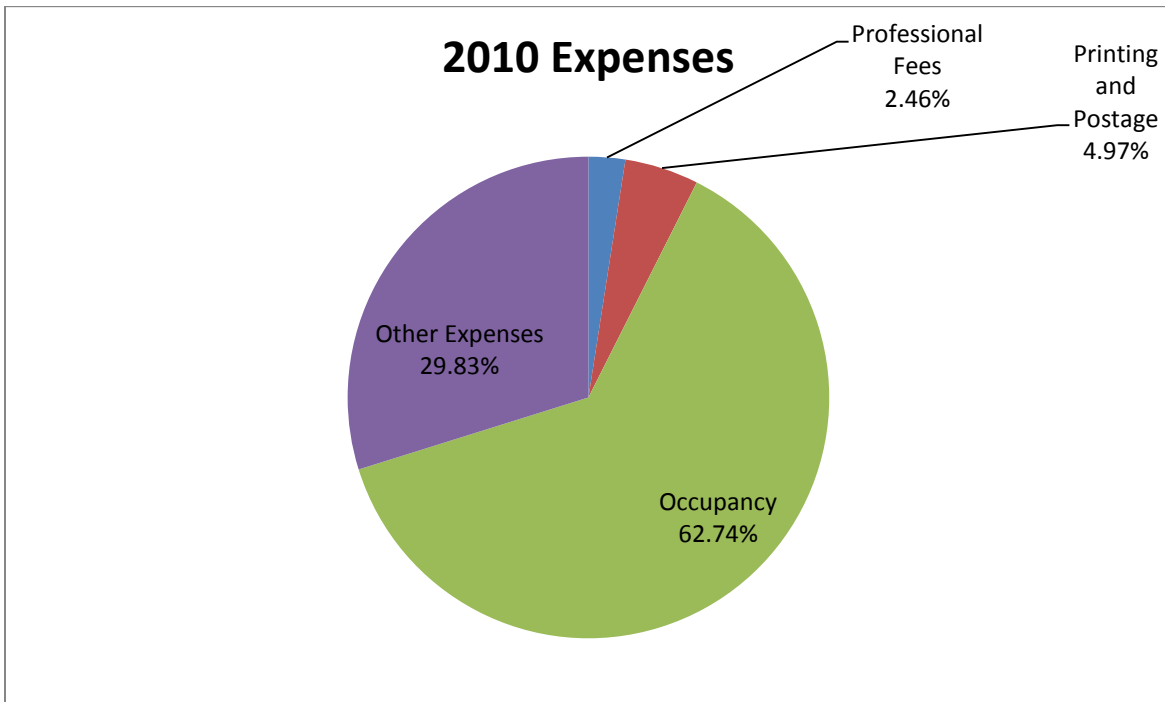
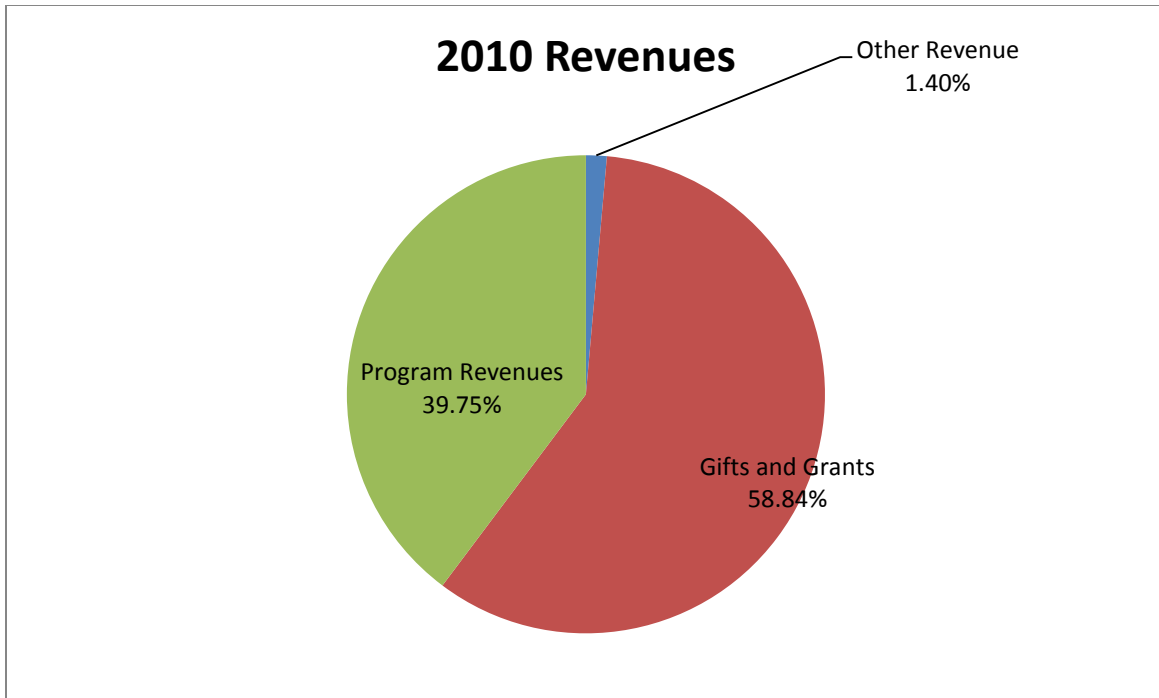
**Approximate**

**Subscribers:**

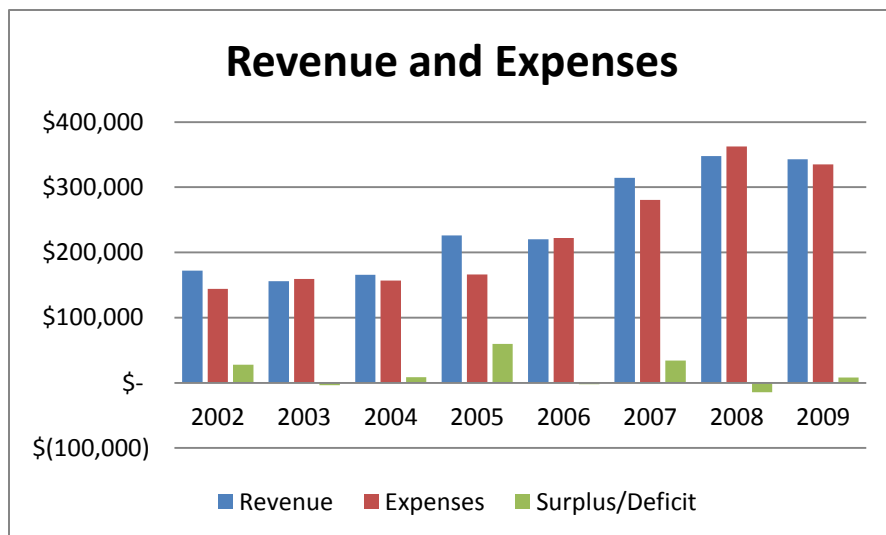
Unknown

**Ticket Prices:**

\$15 – 20



Sources: IRS 990s, theeproject.org.

**PHAMALy****Fast Facts**

**Years Existed:** 23; 5 as a  
Year-Round Company

**Annual Season:**

2 Productions, one  
travelling show, and  
other events.

**Season Span:**

January - December

**Venue Size:** Varies

**Part-Time Staff:** 4

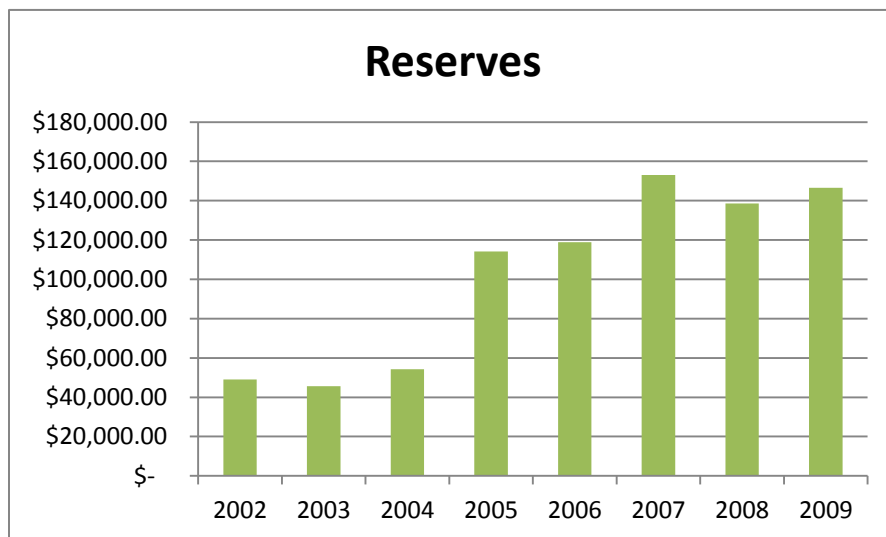
**Full Time Staff:** 1

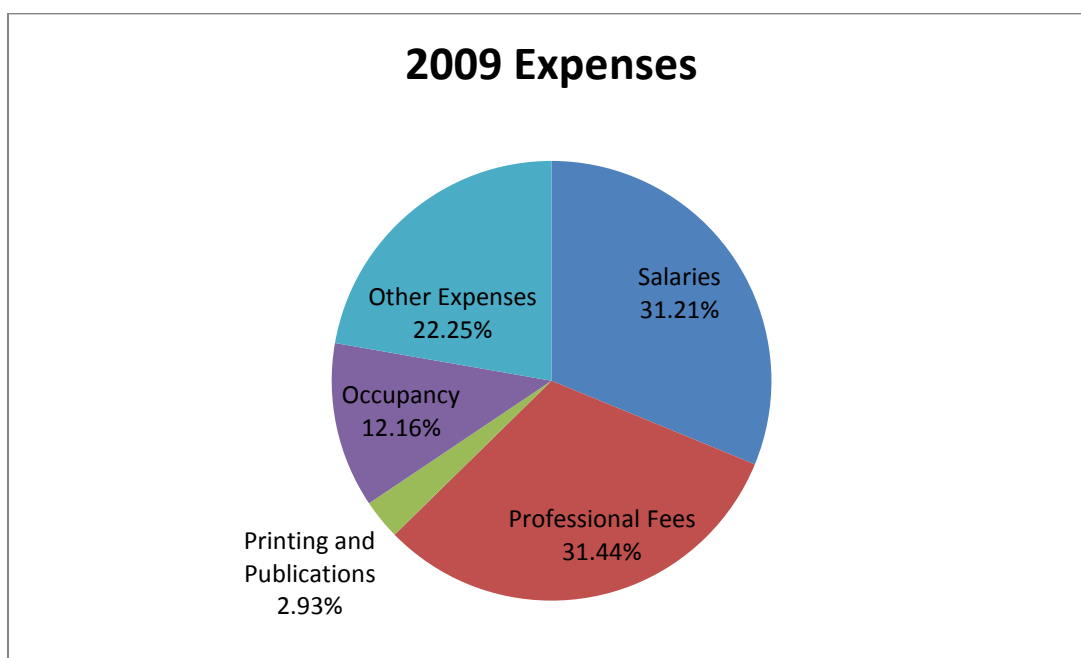
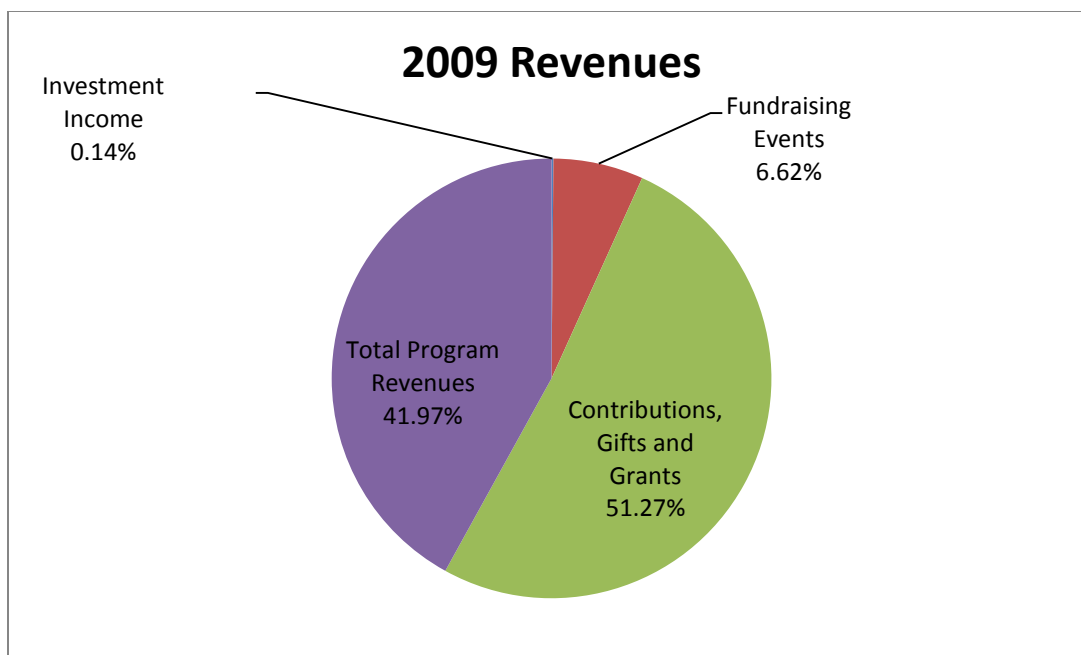
**Approximate**

**Subscribers:** 50

**Ticket Prices:**

\$20

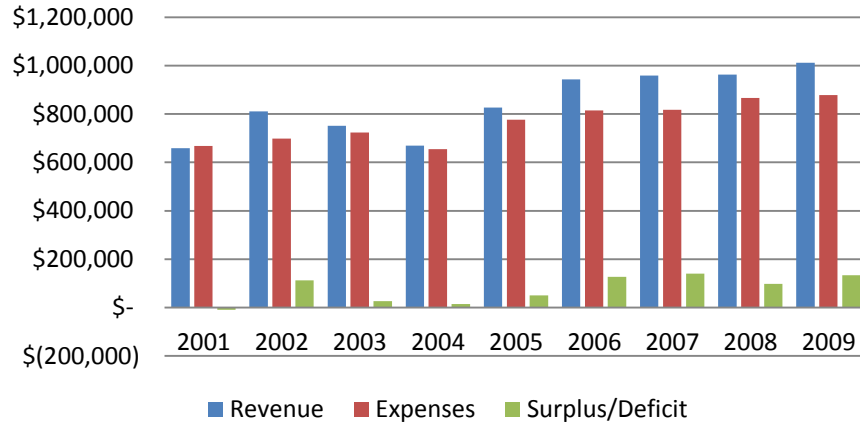




*Sources: IRS 990s, Survey Results, PHAMALy.org.*

## Town Hall Arts Center

### Revenue and Expenses



### Fast Facts

**Years Existed:** 30

#### **Annual Season:**

6 - 7 Productions, mostly musicals

#### **Season Span:**

September - June

**Venue Size:** 260

**Part-Time Staff:** 5

**Full Time Staff:** 8

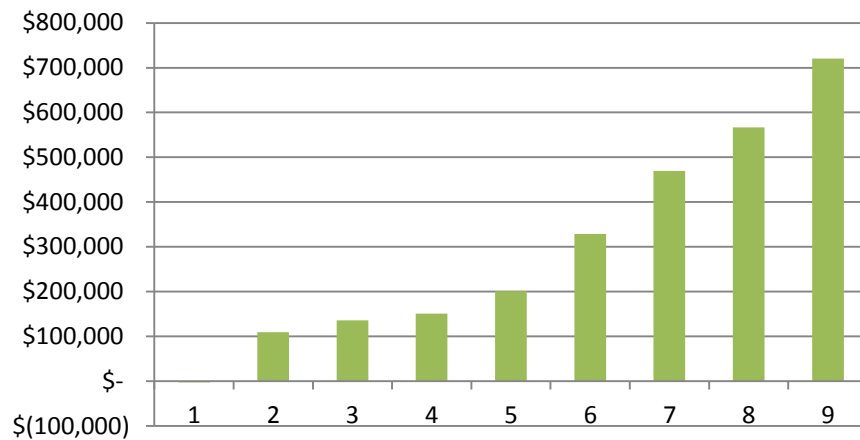
**Approximate**

**Subscribers:** 750

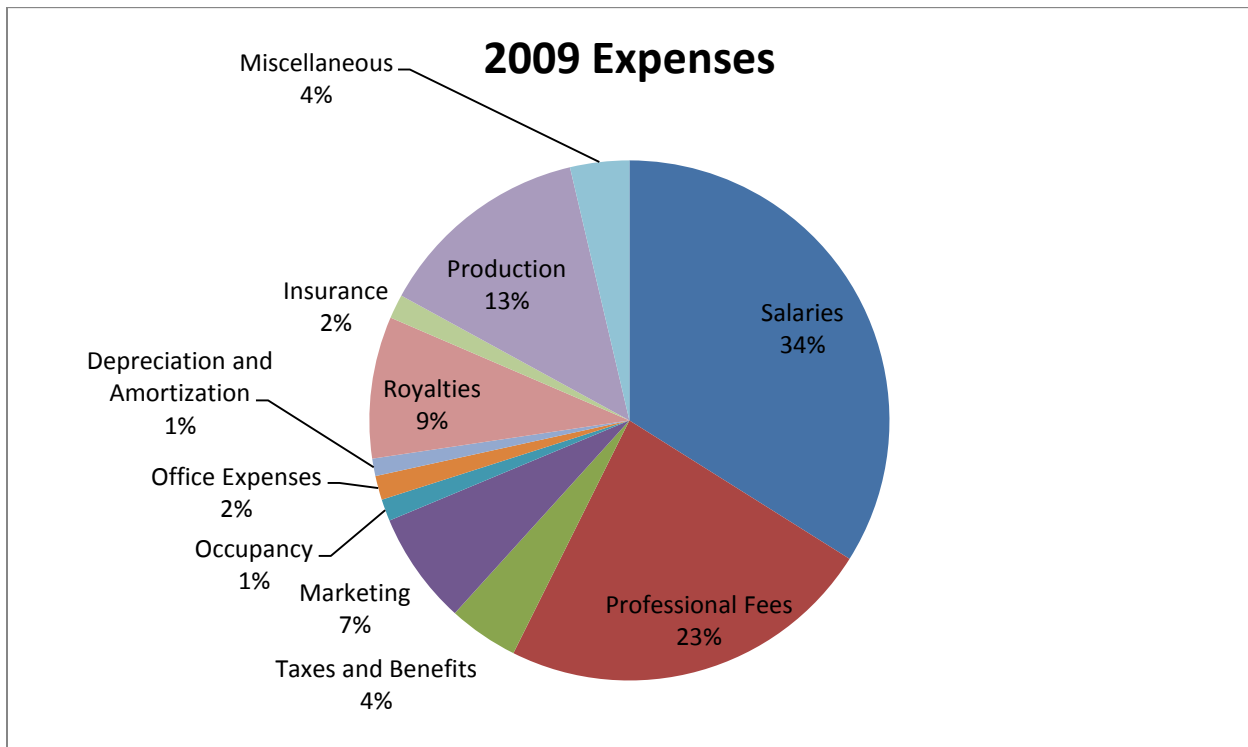
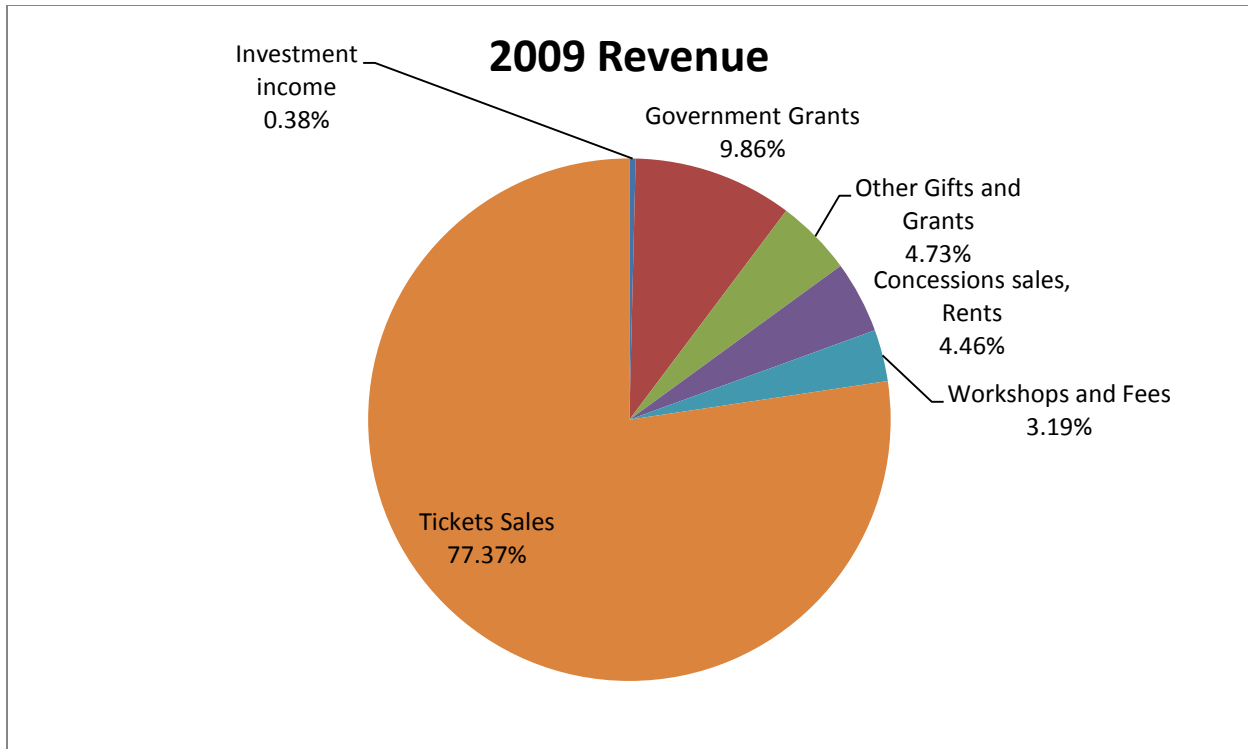
**Ticket Prices:**

\$24 - 38

### Reserves

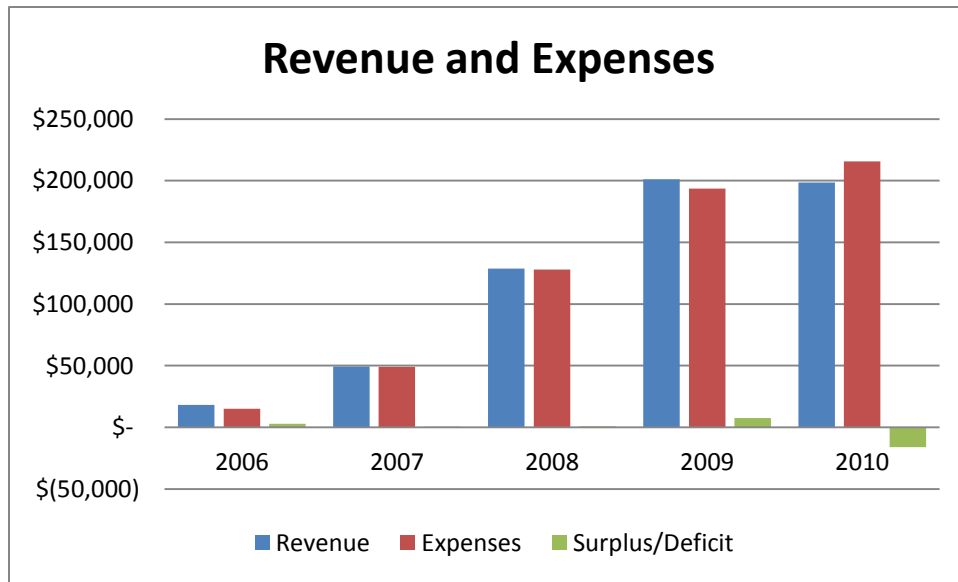






*Sources: IRS 990s, Survey Results, townhallartscenter.com.*

## Vintage Theatre



### Fast Facts

**Years Existed:** 10

**Annual Season:**  
7 Productions,  
some musicals

**Season Span:**  
January -

November

**Venue Size:**  
Unknown, Theatre  
is moving

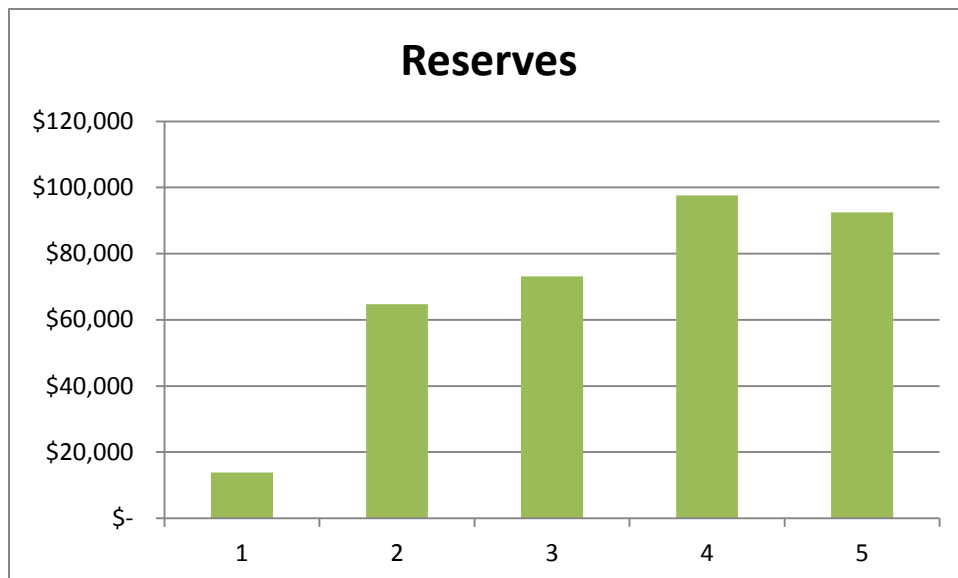
**Part-Time Staff:** 0

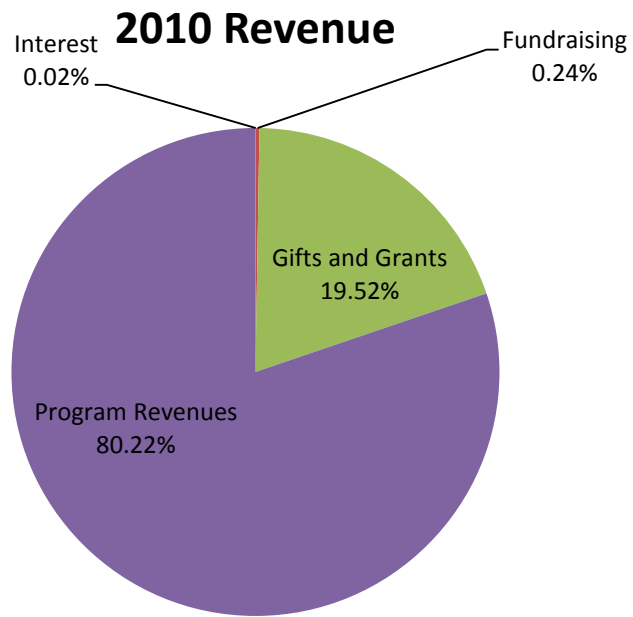
**Full Time Staff:** 2

**Approximate  
Subscribers:**  
Unknown

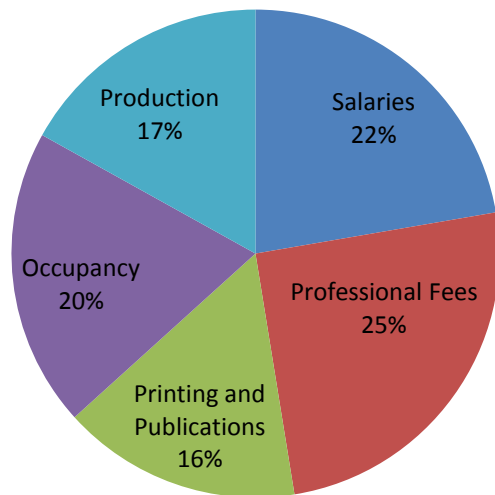
**Ticket Prices:**

\$20 - 25





### 2010 Expenses



*Sources: IRS 990s, vintagetheatre.com.*